

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

\$2,560,169 and \$362,938 respectively. Amortization of these assets held under capital leases is included with depreciation expense.

Year Ending September 30	Capital Leases
2003	\$ 582,750
2004	<u>244,335</u>
Total minimum lease payments	827,085
Less: amount representing interest	<u>32,374</u>
Present value of net minimum capital lease payments	<u>\$ 794,711</u>

G. Long-Term debt

1. General Obligation Bonds – Governmental Activities

The City issues general obligation bonds to provide funds for the acquisition, construction and improvements of major capital facilities. General obligation bonds have been issued for governmental activities. The amount of outstanding general obligation bonds issued in prior years is \$ 99,360,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds are generally issued as 20-year serial bonds. The General Obligation Bonds outstanding at September 30, 2002 consist of the following:

Issue Name	Interest Rates	Year Issued	Final Maturity	Original Issue	Outstanding 9/30/02
General Obligations	3.30-5.30	1992	2003	\$ 54,360,000	\$ 6,340,000
General Obligations	3.70-4.50	1997	2007	15,000,000	8,375,000
1985B Gulf Breeze	Variable	2000	2013	15,910,000	15,005,000
1985E Gulf Breeze	Variable	2000	2020	<u>14,090,000</u>	<u>14,090,000</u>
Total General Obligation Bonds				<u>\$ 99,360,000</u>	<u>\$ 43,810,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Fiscal Year Ending September 30	General Obligation Bonds Governmental Activities		
	Principal	Interest	Total
2003	\$ 7,285,000	\$ 2,233,801	\$ 9,518,801
2004	5,515,000	1,851,814	7,366,814
2005	3,890,000	1,608,258	5,498,258
2006	1,590,000	1,433,783	3,023,783
2007	1,645,000	1,356,740	3,001,740
2008-2012	6,635,000	5,722,525	12,357,525
2013-2017	8,550,000	3,726,005	12,276,005
2018-2021	<u>8,700,000</u>	<u>1,036,550</u>	<u>9,736,550</u>
	<u>\$ 43,810,000</u>	<u>\$ 18,969,476</u>	<u>\$62,779,476</u>

The City's \$15,000,000 General Obligation Bonds, Series 1996, will be repaid solely from ad-valorem taxes assessed, levied and collected. They are registered transcripts, and insured. The bonds were issued to construct, renovate and rebuild parks and recreation facilities within the City's park system.

The Gulf Breeze VDRS Series 1985B, in the amount of \$15,910,000, principal is to be repaid in thirteen annual installments commencing December 1, 2001 with interest paid semi-annually. The Gulf Breeze VDRS Series 1985E, in the amount of \$14,090,000, principal is to be repaid in seven annual installments commencing December 1, 2014 with interest paid semi-annually. The funds are being used to expand, renovate and improve fire stations and related facilities; improve recreation and maintenance facilities for parks and beaches; and, improve neighborhood infrastructure and related facilities.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

2. Special Obligation Bonds – Governmental Activities

As of September 30, 2002 the outstanding principal of special obligation bond issues and repayment sources were as follows:

<u>Issue Name</u>	<u>Repayment Source</u>	<u>Total Outstanding Principal</u>
1996 Resort Tax Revenue Refunding Bonds	2% Resort Tax	\$ 3,590,000
1985B Gulf Breeze Fixed rate	Annual Appropriation	2,200,000
1985C Gulf Breeze Fixed rate	Annual Appropriation	14,301,954
1985E Gulf Breeze Fixed rate	Annual Appropriation	22,500,000
1994 Sunshine State VRDS	Annual Appropriation	6,265,000
1994 Pension Obligation Bonds	Annual Appropriation	46,765,000
1989 Tax Increment Revenue Bonds	RDA Tax Increment Revenue	2,210,000
1993 Tax Increment Revenue Bonds	RDA Tax Increment Revenue	21,215,000
1996 Tax Increment Revenue Bonds	RDA Tax Increment Revenue	41,430,000
1998 Tax Increment Revenue Bonds	RDA Tax Increment Revenue	<u>35,975,000</u>
Total Special Obligation Bonds		<u>\$196,451,954</u>

On March 1, 1995, the City entered into a ten-year interest rate swap agreement for its variable-rate 1994 Series Special Obligation Bonds. The City entered into this agreement to help stabilize its interest cost. Based on the swap agreement the City would owe interest at a fixed rate of 8.27% to the counterparty to the swap. In return the counterparty would owe the City interest based on a variable rate that matches the rate required by the bonds. The City issued \$57.7 million in bond principal that is not exchanged. As of September 30, 2002, no amounts are owed to the City or the counterparty.

On July 1, 1998, the Miami Beach Redevelopment Agency issued \$29,105,000 (Series 1998A) and \$9,135,000 (Series 1998B) in tax increment bonds. These bonds are secured by a lien on and pledge of the Pledged Funds, which include: (a) the Net Trust Fund Revenues received by the Agency from the Redevelopment Area; (b) the portion of the proceeds of the City's municipal resort tax levied and collected by the City and received by the Trustee; and (c) moneys and investments in the funds and accounts created under the resolution. The Series 1998A bonds were issued with interest rates of 6.7 percent to 7.0 percent payable semiannually on each June 1 and December 1, and will mature serially through December 1, 2022. The Series 1998B bonds were issued with interest rates of 3.6 percent to 5.2 percent payable semiannually on each June 1 and December 1, and will mature serially through December 1, 2022. The bonds are subject to a trust indenture which requires that annual debt service requirements be fully funded upon receipt of Trust Fund Revenue and Supplemental Revenue, and that any shortage shall be funded based on the Supplemental Revenue Resolution.

Loan Pool

On August 1, 2001, the City executed three loan agreements with the City of Gulf Breeze, Florida, Local Government Pool to borrow \$47,145,000 on fixed rate notes. The Gulf Breeze Series B, in the amount of \$2,200,000, principal is to be repaid in fourteen annual installments commencing December 1, 2002 with interest paid semi-annually. The Gulf Breeze Series C, in the amount of \$22,445,000, principal is to be repaid in fourteen annual installments commencing December 1, 2002 with interest paid semi-annually. The Gulf Breeze Series E, in the amount of \$22,500,000, principal is to be repaid in nineteen annual installments commencing December 1, 2002 with interest paid semi-annually. \$17,115,000 was used to repay the outstanding balance of the City Gulf Breeze, Florida Local Government Loan Program Series 1985 C variable rate notes. \$14,977,000 was used to repay a portion of the outstanding principal from the Sunshine State Loan. The remaining funds will be used for the renovation and improvement of two City owned golf courses and their related facilities.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

A portion of the Gulf breeze 1985 C outstanding debt relates to the construction of a Parking Garage. The Parking Enterprise Fund includes an outstanding amount of \$8,143,046 that relates to this debt.

Annual debt service requirements to maturity for special obligation bonds are as follows:

DEBT SERVICE REQUIREMENTS - SPECIAL OBLIGATION BONDS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 7,061,012	\$ 13,429,243	\$ 20,490,255
2004	6,874,686	12,969,778	19,844,464
2005	7,079,732	12,524,646	19,604,378
2006	6,646,592	12,063,456	18,710,048
2007	7,064,824	11,644,000	18,708,824
2008-2012	42,501,716	50,768,580	93,270,296
2013-2017	55,198,392	34,235,356	89,433,748
2018-2022	54,990,000	13,501,852	68,491,852
2023	<u>9,035,000</u>	<u>332,085</u>	<u>9,367,085</u>
	<u>\$196,451,954</u>	<u>\$161,468,996</u>	<u>\$357,920,950</u>

3. Revenue bonds

a. Parking Fund

The Parking Revenue Fund had the following changes in its current and Long-Term debt outstanding for the year ended September 30, 2002:

<u>Indebtedness</u>	<u>Balance 10/1/01</u>	<u>Debt Repaid</u>	<u>Balance 9/30/02</u>
Special Obligation Bonds	<u>\$ 35,963,046</u>	<u>\$ 800,000</u>	<u>\$ 35,163,046</u>

Parking Revenue Fund indebtedness at September 30, 2002, is comprised of the following issued indebtedness:

\$10,795,000	1996 Special Obligation Refunding Bonds due in annual installments through 2009: interest at 3.2% and 5.0%	<u>\$ 6,230,000</u>
\$21,000,000	1997 Special Obligation Bonds due in annual installments through 2022: interest at 4.00% - 5.125%	<u>\$ 20,790,000</u>
\$ 8,143,046	2001 Gulf Breeze Loan Pool due in annual installments through 2015: interest at 3.875% - 4.75%	<u>\$ 8,143,046</u>

The aggregate maturities of Long-Term Debt as of September 30, 2002, are as follows:

<u>Year Ending September 30</u>	<u>Bonded Debt</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 1,268,988	\$ 1,681,861	\$ 2,950,849
2004	1,325,314	1,625,739	2,951,053
2005	1,380,268	1,565,945	2,946,213
2006	1,443,408	1,503,471	2,946,879
2007	1,510,176	1,437,779	2,947,955
2008-2012	8,658,284	6,046,606	14,704,890
2013-2017	10,181,608	3,720,969	13,902,577
2018-2022	<u>9,395,000</u>	<u>1,492,401</u>	<u>10,887,401</u>
	35,163,046	19,074,771	54,237,817
Less: Unamortized Bond Discount	<u>766,389</u>		<u>766,389</u>
	<u>\$ 34,396,657</u>	<u>\$ 19,074,771</u>	<u>\$ 53,471,428</u>

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

b. Water and Sewer Fund

The Water & Sewer Fund issued \$59,060,000 in Water and Sewer Revenue Bonds, Series 1995, on June 8, 1995. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The bonds were issued to construct various improvements and extensions to the Water and Sewer utility. Indebtedness of the Water and Sewer Fund at September 30, 2002 is as follows:

\$59,060,000	1995 Revenue Bonds Due in annual installments through 2015: Interest at 4.20% - 5.40%	<u>\$ 44,480,000</u>
--------------	------------------------------------------------------------------------------------------	----------------------

The Water & Sewer Fund issued \$54,310,000 in Water and Sewer Revenue Bonds, Series 2001, on September 1, 2001. The bonds will be repaid solely from pledged revenues of the Water and Sewer system. They are registered transcripts and insured. The bonds were issued to construct various improvements and extensions to the Water and Sewer utility. Indebtedness of the Water and Sewer Fund at September 30, 2002 is as follows:

\$54,310,000	2000 Revenue Bonds Due in annual installments through 2030: Interest at 5.00% - 5.75%	<u>\$ 54,310,000</u>
--------------	------------------------------------------------------------------------------------------	----------------------

The aggregate maturities of Long-term debt as of September 30, 2002 are as follows:

Year Ending September 30	Bonded Debt		
	Principal	Interest	Total
2003	\$ 2,480,000	\$ 5,304,122	\$ 7,784,122
2004	2,605,000	5,183,223	7,788,223
2005	2,735,000	5,052,972	7,787,972
2006	2,875,000	4,913,488	7,788,488
2007	3,020,000	4,766,143	7,786,143
2008-2012	17,700,000	21,232,145	38,932,145
2013-2017	18,025,000	16,059,068	34,084,068
2018-2022	15,000,000	11,823,063	26,823,063
2023-2027	19,740,000	7,086,987	26,826,987
2028-2030	<u>14,610,000</u>	<u>1,484,750</u>	<u>16,094,750</u>
	98,790,000	82,905,961	181,695,961
Less: Unamortized Bond Discount	<u>1,335,294</u>		<u>1,335,294</u>
	<u>\$ 97,454,706</u>	<u>\$ 82,905,961</u>	<u>\$180,360,667</u>

c. Storm Water

The Storm Water Fund issued \$52,170,000 in Storm Water Revenue Bonds, Series 2000, on November 7, 2000. The bonds will be repaid solely from pledged revenues of the Storm Water System. They are registered transcripts and insured. The bonds were issued to construct certain improvements to the Storm Water utility. Indebtedness of the Storm Water Fund at September 30, 2002 is as follows:

\$52,170,000	2000 Storm Water Revenue Bonds Due in annual installments through 2030: Interest at 4.5%-5.75%	<u>\$51,335,000</u>
--------------	---------------------------------------------------------------------------------------------------	---------------------

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

The aggregate maturities of Long-term debt as of September 30, 2002 are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 870,000	\$ 2,698,846	\$ 3,568,846
2004	910,000	2,659,696	3,569,696
2005	950,000	2,618,746	3,568,746
2006	995,000	2,575,997	3,570,997
2007	1,040,000	2,531,221	3,571,221
2008-2012	5,960,000	11,889,621	17,849,621
2013-2017	7,740,000	10,108,569	17,848,569
2018-2022	10,130,000	7,714,656	17,844,656
2023-2027	13,085,000	4,758,100	17,843,100
2028-2030	<u>9,655,000</u>	<u>1,056,188</u>	<u>10,711,188</u>
	51,335,000	48,611,640	99,946,640
Less: Unamortized Bond Discount	<u>623,214</u>		<u>623,214</u>
	<u>\$50,711,786</u>	<u>\$48,611,640</u>	<u>\$99,323,426</u>

4. Due to Developer

Amount classified as "due to developer" represents the estimated amount of the cost that the Agency is legally required to perform based on a settlement agreement. The settlement agreement calls for specific performance by the Agency, which includes, but not limited to, the following:

- a. Provide an additional 485 parking spaces for both the south and north parcels of the property. In addition, provide for laundry and bathroom facilities on the north parcel of the property;
- b. Provide valet service for the Marina during construction on the north parcel of the property;
- c. Responsible for the seawall along the property;
- d. Release a utility easement in favor of the City across the "Diamond C Parcel";
- e. Responsible for improving the "Alaska Parcel" for temporary parking for the construction on the north parcel of the property;
- f. Provide for use of sidewalk and the westernmost lane of Alton Road to be used as staging areas for construction on the north parcel of the property; and
- g. Remove a pump station on the north parcel of the property.

As of September 30, 2002, the estimated cost of such performance as per the settlement agreement was approximately \$6 million.

5. Loans

The Parking Enterprise Fund purchased an office building which will be reimbursed by the General Fund in the amount of \$4.2 million. The General Fund will reimburse the Parking Enterprise Fund from the net operating income generated from the building's rental tenants. Terms of repayment will be amortized over a nine year period at an assumed interest rate of 3%; actual rate will be set annually to match the City's interest rate of return.

In October 2001, the City entered into a loan agreement that allows the City to be reimbursed for purchases of machinery and equipment up to a maximum of \$21,000,000. The interest is calculated at funding at ninety day LIBOR rates times 64%, plus spreads for the specified life terms. As of September

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

30, 2002, the City was indebted for \$2,008,077. This indebtedness has been recorded as a liability in the following funds:

Internal Service	\$ 1,124,559
Other Enterprise	<u>883,518</u>
	<u>\$ 2,008,077</u>

6. Other Obligations

On June 23, 2000, the City issued a Non-ad Valorem Revenue Note, Series 2000, to Florida Power & Light Company ("FPL") in the amount of \$3,941,059 with an annual interest rate not to exceed 4.75 percent. The note is for a ten year period and interest and principal payments of \$248,857 are due on the first day of June and December of each year until June 1, 2009. The City issued the note to finance a contribution to aid construction of an underground electric transmission line within the City limits. The aggregate maturities of long-term obligation under this note are as follows:

Year Ending <u>September, 30</u>	Long-term <u>Obligation</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 704,106	\$ 141,851	\$ 845,957
2004	421,141	118,387	539,528
2005	398,261	99,453	497,714
2006	417,403	80,311	497,714
2007	437,466	60,249	497,715
2008 -2009	<u>939,021</u>	<u>56,409</u>	<u>995,430</u>
	<u>\$ 3,317,398</u>	<u>\$ 556,660</u>	<u>\$3,874,058</u>

On March 24, 2000, the City issued a Subordinate Resort Tax Revenue Note, Series 2000, to a financial institution in the amount of \$1,294,000 to be used as a line of credit, with an annual interest rate of 4.6%. The note is for a five-year period and will be repaid by using one twelfth of the additional 1% Resort Tax revenue. Principal payments are due the first day of December of each year, commencing on December 1, 2000 and ending on December 1, 2003, in the amount of 20% of outstanding principal amount. Interest payments on the outstanding principal balance are due semiannually, which commenced on June 1, 2000. The City may draw from the \$1,294,000 in increments of \$25,000, with a minimum of \$100,000 per draw in order to finance a beautification project. As of September 30, 2001, the City was indebted for \$9,600.

On September 27, 2000, the City was granted a \$4,000,000 Section 108 U. S. Housing and Urban Development loan. The City drew down \$1,000,000 of this loan for improvements to the North Shore Park and Youth Center. As of September 30, 2002, \$3,000,000 was available to draw on, and the outstanding balance on the amount drawn was \$375,000.

In addition to the loan the City was approved for a \$ 1,000,000 Economic Development Initiatives (EDI) Grant. The EDI Program supports the viability of economic development activities that create revitalized urban environments by funding projects to create jobs, improve public facilities and/or infrastructure. The EDI program enhances the viability of Section 108-funded projects by helping to reduce the risks associated with such large scale loans by providing additional cash flow. The City will use these funds to pay the interest related to the loan.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

7. Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2002, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation	\$ 50,985,000	\$	\$ 7,175,000	\$ 43,810,000	\$ 7,285,000
Special obligation	<u>201,359,954</u>		<u>4,908,000</u>	<u>196,451,954</u>	<u>7,061,012</u>
Total bonds payable	<u>252,344,954</u>		<u>12,083,000</u>	<u>240,261,954</u>	<u>14,346,012</u>
Due to developer	9,227,733		3,322,587	5,905,146	3,048,000
Claims and judgments	13,711,000	5,792,000	4,722,000	14,781,000	4,675,000
Compensated absences	10,530,855	3,575,220	1,185,586	12,920,489	1,000,000
Other obligations	3,985,261		667,863	3,317,398	704,107
Loan Payable		<u>1,215,619</u>	<u>91,060</u>	<u>1,124,559</u>	<u>186,952</u>
Governmental activity					
Long-term liabilities	<u>\$289,799,803</u>	<u>\$10,582,839</u>	<u>\$22,072,096</u>	<u>\$278,310,546</u>	<u>\$23,920,071</u>
Business-type activities:					
Revenue bonds payable	\$189,293,046	\$	\$ 4,005,000	\$185,288,046	\$ 4,618,988
Less deferred amounts:					
For issuance discounts					
On refunding	<u>(2,865,992)</u>		<u>141,095</u>	<u>(2,724,897)</u>	
Total bonds payable	<u>186,427,054</u>		<u>4,146,095</u>	<u>182,563,149</u>	<u>4,618,988</u>
Loan Payable		<u>947,612</u>	<u>64,094</u>	<u>833,518</u>	<u>131,614</u>
Capital leases	1,320,466		525,755	794,711	554,134
Compensated absences	<u>678,381</u>	<u>305,928</u>	<u>232,559</u>	<u>751,750</u>	<u>232,559</u>
Business-type activity					
Long-term liabilities	<u>\$188,425,901</u>	<u>\$ 1,253,540</u>	<u>\$ 4,968,503</u>	<u>\$184,993,128</u>	<u>\$ 5,537,295</u>

The City's internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$700,793 of internal service funds compensated absences are included in the above amounts.

8. Restricted assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

	<u>Storm Water</u>	<u>Water and Sewer</u>	<u>Parking</u>	<u>Convention Center Complex</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Customer deposits	\$	\$ 5,103,455	\$ 41,068	\$ 1,481,812	\$ 55,360	\$ 6,681,695
Interlocal agreement				16,131,553		16,131,553
Revenue bonds construction	50,945,263	64,445,862	17,400,732			132,791,857
Revenue bonds current debt service	3,568,846	2,600,000	2,180,681			8,349,527
Revenue bonds future debt service	<u>3,367</u>		<u>1,443,344</u>			<u>1,446,711</u>
Total restricted assets	<u>\$ 54,517,476</u>	<u>\$72,149,317</u>	<u>\$21,065,825</u>	<u>\$17,613,365</u>	<u>\$ 55,360</u>	<u>\$165,401,343</u>

G. Other Information

1. Risk Management

The City is exposed to various risks of loss from civil liability to other parties (automobile liability, general liability, police professional liability, public official liability); statutory workers' compensation benefits for

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

injured employees; and the theft or accidental damage to City property (buildings and business contents). The City established an internal service Self-Insurance Fund to account for and fund the above risks.

The Self-Insurance Internal Service Fund (the "Fund") pays for all claims and judgments made against the City for accidental losses for which the City is self-insured. The Fund pays the premium costs for insurance policies to protect the City's ultimate self-insured exposures. All-Risk property insurance (exclusive of windstorm coverage) provides coverage for losses to City buildings above various deductible amounts. There were no settlements in excess of applicable insurance for the past three years. During fiscal year 2002, there were no significant changes in insurance premiums except for property insurance. This change was due to increased cost for windstorm coverage.

The Fund derives revenue from all City departments through an allocation formula and from investment income earned on reserved funds. The required funding levels of reserves and future needs is determined by an annual actuarial report produced by an external actuarial firm. The City funds and reserves on an "occurrence" basis, reserving for anticipated and known claims when they occur, regardless of the ultimate date of payment or disposition.

The following are the changes in the funds' claims liability amount during fiscal year 2002 and 2001 respectively:

	<u>2002</u>	<u>2001</u>
Unpaid claims, beginning of year	\$ 13,711,000	\$ 13,332,000
Incurred claims (includes incurred but not reported claims)	5,792,000	4,567,000
Less: estimated claim payments	<u>4,722,000</u>	<u>4,188,000</u>
Unpaid claims, end of year	<u>\$ 14,781,000</u>	<u>\$ 13,711,000</u>

2. Significant Commitments and Contingencies

- a. The City, in the normal course of operations, is a party to various other actions in which plaintiffs have alleged certain damages. In all cases, management does not believe the disposition of these matters will materially affect the financial position of the City.
- b. The City participates in a number of Federal and State assisted grant programs, which are subject to financial and compliance audits. Audits for these programs are to be conducted at a future date, and the City expects the amount, if any, of the expenditures which may be disallowed by the granting agency to be immaterial.
- c. The Agency has committed to provide the developers of two hotels certain incentives. The Request for Proposal originally called for a \$60 million incentive for which \$10 million was designated for the development of a hotel, which requires African American majority ownership. The Agency issued \$108 million in bonds of which \$98 million has been spent for land acquired for both hotels, related hotel agreement negotiations, and construction of an 800 space parking facility for the hotels. The remaining \$10 million will be used to construct a boardwalk, sidewalk and streetscape improvements, the acquisition of property for development and construction of a cultural center facility, and restoration of the Colony Theater. This commitment is in addition to the incentive to be provided to the developers.
- d. The City believes it is in compliance with all material terms of bond indenture agreements, contracts, and federal, state and local laws and regulations.

3. Post Retirement Benefits

The City paid \$3,706,823 for health, life and dental insurance coverage for its 847 participating retirees and beneficiaries during the fiscal year ended September, 30, 2002. Under City ordinances, retirees are entitled to 50% of the cost of health, life and dental insurance to be paid by the City. These expenditures are considered current costs and no provision for future funding has been made.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

4. Employee retirement

a. Retirement System For General Employees

i. Plan Description

The Retirement System for General Employees is a Single Employer Defined Benefit Pension Plan that covers all civil service employees of the City except for Policemen and Firemen as established by City Ordinance #1901. This Plan covers 506 active employees and 939 retirees and beneficiaries as of the last actuarial report. The City's payroll for employees covered by the System for the year ended September 30, 2002, was \$22,247,500 out of \$91,395,490 total payroll cost for the City.

Generally, employee members of the System vest after 5 years. Members are eligible to retire at age 50 at a benefit of 3% of final average salary based on the highest two years salary for the first 15 years of service and 4% of final average salary thereafter to a maximum of 90%. However, certain employees who are members of the labor union "AFSCME" employed on or after April 30, 1993, employees in the classification of "Other" (non-unionized classified employees), employed on or after August 1, 1993, and employees who are members of the labor union "CWA" employed on or after February 21, 1994, vest after 10 years of service and are eligible to retire at age 60 with 10 years creditable service at a benefit level of 3% of their highest three years' average salary times years of service to a maximum of 80%. These benefit provisions and all other requirements are established by City Ordinance.

City employee members are required to contribute 10% of salary.

ii. Funding Policy, Contributions Required and Contributions Made

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age actuarial cost method. The Plan also uses the level percentage of payroll method to amortize any unfunded actuarial accrued liability over a 15-year period.

Effective October 1, 1996, the asset valuation method was changed to the difference between actual investment return and expected return and will be recognized over 5 years.

Significant actuarial assumptions used include: (1) investment return of 8.5%, net after administrative expenses; (2) 1983 Group Annuity Mortality Table; for those who have terminated employment before October 1, 1993, rates are based on the Plan's own experience; (3) for retirement, once a member is eligible to retire, a probability of retirement based on age is used (effective October 1, 1996); (4) projected salary increases of 6% per year; (5) projected inflation at 4.0%; and (6) post retirement benefit has a cost of living increases of 2.5% per year compounded annually to benefit recipients retired.

The Plan uses: (a) entry age for the actuarial cost method; (b) 32 years for the equivalent single amortization period; (c) level dollar, closed method for the amortization method; d) 15 years for the amortization period; and (e) 5 years smoothed market for the actuarial asset valuation method.

For the year ended September 30, 2002, the City was not required to make any contributions to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2001. For the year ended September 30, 2002, the employees contributed \$2,224,750 which represents 10.8%, of covered payroll.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

iii. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the fiscal year ended September 30, 2001, for the Retirement System for General Employees is as follows:

<u>Year Ended</u> <u>September 30,</u>	<u>Annual Required</u> <u>Contribution - City</u>	<u>Percentage</u> <u>Contributed</u>
2000	-	N/A
2001	-	N/A
2002	-	N/A

b. Retirement System For Non-Civil Service Employees

i. Plan Description

The Retirement System for Non-Civil Service Employees is a Single Employer Defined Benefit Pension Plan that covers all non-civil service employees of the City except for police and fire persons, as established by City Ordinance #88-2603. This Plan was established April 1, 1988 and covers 114 active employees and 147 retirees and beneficiaries, as of the last actuarial report. The City's payroll for employees covered by the System for the year ended September 30, 2002 was \$7,468,200 out of \$91,395,490 total payroll cost of the City.

Employee members of the System prior to October 18, 1992 vest after 5 years. Members are eligible to retire at age 50 with 5 years creditable service at a benefit of 4% for years earned prior to October 18, 1992, and 3% for years thereafter times the final average salary, to a maximum of 80%. New employee members of the System on or after October 18, 1992 vest after 10 years. Members are eligible to retire at age 60 with 10 years creditable service at a benefit of 3% of final 3 years average salary times years of service to a maximum of 80%. These benefit provisions and all other requirements are established by City Ordinance.

City employee members are required to contribute 10% of salary.

ii. Funding Policy, Contributions Required and Contributions Made

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age actuarial cost method. There is no unfunded actuarial accrued liability at October 1, 2001, as of the latest actuarial report.

Significant actuarial assumptions used in the latest actuarial report include: (1) investment return of 9.0%, net after administrative expenses; (2) 1983 Group Annuity Mortality Table for males and females (effective October 1, 1996); (3) for retirement, a probability of retirement based on age, once a member is eligible to retire, is used (effective October 1, 1996); (4) projected salary increases of 6.0% per year; (5) post retirement benefit has a cost of living increase of 1.5% per year compounded annually and (6) projected inflation of 4% per year.

The Plan uses: (a) frozen entry age for the actuarial cost method and (b) a 5 year smoothed market for the actuarial asset valuation method. The amortization method and period are not applicable.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

For the year ended September 30, 2002, the City was not required to make any contributions to the Plan in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2001. For the year ended September 30, 2001, the employees contributed \$746,820, which represents 10.6% of covered payroll.

iii. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the fiscal year ended September 30, 2001, for the Retirement System for Non-Civil Service Employees is as follows:

<u>Year Ended September 30,</u>	<u>Annual Required Contribution - City</u>	<u>Percentage Contributed</u>
2000	\$ 666,897	100%
2001	-	N/A
2002	-	N/A

c. Retirement System for Firefighters and Police Officers

i. Plan Description

The Retirement System for Firefighters and Police Officers are Single Employer Defined Benefit Pension Plans that cover substantially all Police and Fire persons of the City, as established by Chapter 23414, Laws of Florida, Special Acts of 1945 (as amended through November 2, 2000). The Plan covers 510 active employees and 466 retirees and beneficiaries. The City's payroll for employees covered by the System for the year ended September 30, 2002 was \$42,429,960 out of a \$91,395,490 total payroll cost for the City.

Employee members of the System prior to May 19, 1993 vest upon attaining 10 years of creditable service. Members are eligible to retire at age 50 at a benefit of 3% of final average salary for the first 15 years and 4% thereafter, based on the highest 2 years salary times years of service to a maximum of 90% of average monthly salary. Employee members are required to contribute 10 percent of salary. New employee members on or after May 19, 1993 will receive the same benefit levels except that retirement age will be 55, and the maximum benefit will be 80% of average monthly salary based on the three highest paid years' salary. The benefit provisions and all other requirements are established by legal requirement.

ii. Funding Policy, Contributions Required and Contributions Made

The City of Miami Beach, Florida, (the "Employer") is required to contribute an actuarially determined amount that, when combined with members' contributions, will fully provide for all benefits as they become payable. Members of the Plan contribute 10% of their salary reduced by any amount contributed under the Base System.

The contributions to the Plan for the year ended September 30, 2002, of \$3,722,117 were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of October 1, 2001. These contributions were made by the employees of the City and were 10% of current covered payroll.

Significant actuarial assumptions used include: (1) investment return of 8.5%; (2) projected salary increases of 4.53%-10.17% including 3.5% for inflation; and (3) post retirement benefit has a cost of living increases of 2.5% per year compounded annually.

CITY OF MIAMI BEACH, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2002
(Continued)

The Plan uses: (a) frozen entry age for the actuarial cost method; (b) 30 years for the remaining amortization period; (c) level dollar closed for the amortization method; and (d) 5 year phase-in for the market asset valuation method.

iii. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due. An analysis of funding progress for the fiscal year ended September 30, 2002, for the Retirement System for Fire Fighters and Police Officers is as follows:

<u>Year Ended September 30,</u>	<u>Annual Required Contribution - City</u>	<u>Percentage Contributed</u>
2000	-	N/A
2001	\$ 733,425	100%
2002	3,510,328	100

d. Defined Contribution Plan-401A

The City offers all new non-civil service and civilian employees the option to participate in a defined contribution (401A) plan instead of the amended defined benefit plans, discussed previously, which took effect for new non-civil service employees on October 17, 1992 and on various dates for civilian employees. The two 401A plans which are available to choose from are : (1) Nationwide Retirement Solutions (formerly Public Employee's Benefits Services Corporation – PEBSCO), and (2) ICMA Retirement Corporation. The employee is required to contribute 10% of his salary and the City matches with 10%. The 401A plan of each employee is the immediate property of the employee and investment of these funds is directed by the employee amongst choices of investment vehicles offered by two plan administrators. For the fiscal year ended September 30, 2002, the City contributed \$1,715,059 to employee 401A plans covering 441 employees. The City's contribution represents \$17,150,590 of covered payroll out of \$91,395,490 total payroll cost of the City.

e. Financial Statements

Each of the Retirement Systems are audited separately. Complete financial statements can be obtained at the following offices:

City of Miami Beach
Retirement System for General Employees
1700 Convention Center Drive
Miami Beach, Florida 33139

City of Miami Beach
Retirement System for Non-Civil
Service Employees
1700 Convention Center Drive
Miami Beach, Florida 33139

City of Miami Beach
Retirement System for Firefighters and
Police Officers
605 Lincoln Road, Suite 400
Miami Beach, Florida 33139



City of Miami Beach

This page intentionally left blank

**CITY OF MIAMI BEACH, FLORIDA
SCHEDULE OF FUNDING PROGRESS
RETIREMENT SYSTEMS
(Dollars in Millions)**

General Employees

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/c
10/1/99	\$237.3	\$200.8	(\$36.5)	118.2 %	\$19.4	(188.8) %
10/1/00	250.3	212.1	(38.2)	118.0	19.5	(195.8)
10/1/01	255.2	220.7	(34.5)	115.7	20.6	(167.7)

Non-Civil Service Employees

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/c
10/1/99	\$67.9	\$62.6	(\$5.3)	108.5 %	\$6.1	(88.0) %
10/1/00	76.5	65.9	(10.6)	116.2	6.3	(167.5)
10/1/01	80.8	72.1	(8.7)	112.1	7.1	(123.6)

Firefighters and Police Officers

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b-a)/c
10/1/99	\$383.1	\$383.1	\$0.0	100.0 %	\$29.3	0.0 %
10/1/00	398.7	389.0	9.7	102.5	28.0	34.0
10/1/01	404.3	393.0	11.3	102.9	29.7	38.2

CITY OF MIAMI BEACH, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Fiscal Year Ended September 30, 2002

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes:				
Property	\$ 66,254,672	\$ 66,254,672	\$ 65,560,532	\$ (694,140)
Franchise	6,929,133	6,929,133	7,037,263	108,130
Utility	12,063,900	12,063,900	13,348,286	1,284,386
Licenses and permits	9,267,700	9,507,700	9,627,491	119,791
Intergovernmental	9,654,000	9,654,000	9,263,148	(390,852)
Charges for services	2,033,400	2,033,400	1,792,330	(241,070)
Rents and leases	1,406,125	1,406,125	1,446,707	40,582
Interest income	4,662,500	4,662,500	2,790,257	(1,872,243)
Fines and forfeits	1,648,000	1,648,000	1,716,378	68,378
Administrative fees	8,138,990	8,138,990	8,143,990	5,000
Other	4,298,313	4,298,313	4,903,947	605,634
Total revenues	<u>126,356,733</u>	<u>126,596,733</u>	<u>125,630,329</u>	<u>(966,404)</u>
Expenditures				
General government:				
Mayor and commission	1,092,084	1,092,084	1,062,228	29,856
City manager	1,547,146	1,547,146	1,504,485	42,661
City clerk	1,441,822	1,493,774	1,176,269	317,505
Internal Audit	331,526	331,526	319,120	12,406
Management and budget	546,412	546,412	451,110	95,302
Finance	2,916,475	3,018,978	2,795,154	223,824
Human Resources	1,639,795	1,639,795	1,497,912	141,883
Procurement	649,747	649,747	626,622	23,125
City Attorney	3,082,324	3,091,124	2,991,700	99,424
General Services Administration	789,660	799,492	788,879	10,613
Planning	2,176,853	2,191,155	2,002,539	188,616
Special Programs	1,081,054	1,081,719	833,647	248,072
Engineering	1,625,416	1,581,044	1,474,041	107,003
Construction and financial management	1,799,189	1,874,315	1,613,480	260,835
Special Projects	381,400	1,701,425	1,525,584	175,841
Unclassified	2,981,978	2,421,825	1,876,329	545,496
Total general government	<u>24,082,881</u>	<u>25,061,561</u>	<u>22,539,099</u>	<u>2,522,462</u>
Public safety:				
Beach patrol	4,442,957	4,562,976	4,549,226	13,750
Building services	5,384,132	5,743,660	5,696,577	47,083
Fire	21,691,058	21,820,769	21,543,213	277,556
Police	45,912,104	45,965,046	45,662,265	302,781
Emergency 911	480,000	870,000	693,551	176,449
Total public safety	<u>77,910,251</u>	<u>78,962,451</u>	<u>78,144,832</u>	<u>817,619</u>
Physical environment	2,787,253	2,776,682	2,445,618	331,064
Transportation	2,760,923	2,960,267	2,746,693	213,574
Economic environment	13,484,006	13,400,706	13,176,098	224,608
Human services	475,066	468,432	425,370	43,062
Culture and recreation	14,125,562	16,084,029	14,401,954	1,682,075
Total expenditures	<u>135,625,942</u>	<u>139,714,128</u>	<u>133,879,664</u>	<u>5,834,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,269,209)</u>	<u>(13,117,395)</u>	<u>(8,249,335)</u>	<u>4,868,060</u>
Other financing sources (uses)				
Transfers in	15,031,450	15,031,450	15,031,450	
Transfers out	(5,772,241)	(6,167,994)	(6,233,344)	(65,350)
Sale of capital assets	10,000	10,000	448,005	438,005
Total other financing sources	<u>9,269,209</u>	<u>8,873,456</u>	<u>9,246,111</u>	<u>372,655</u>
Net change in fund balances		<u>(4,243,939)</u>	<u>996,776</u>	<u>5,240,715</u>
Fund balances - beginning of year	27,930,007	27,930,007	27,930,007	
Fund balances - end of year	<u>\$ 27,930,007</u>	<u>\$ 23,686,068</u>	<u>\$ 28,926,783</u>	<u>\$ 5,240,715</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND ENCUMBRANCES - BUDGET AND ACTUAL
BUDGETED MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 2002

	Resort Tax Revenue Fund				Miami Beach Redevelopment Agency				Totals			
	Budgeted Amounts		Actual Amounts		Original and Final Budgeted Amounts		Variance Favorable (Unfavorable)		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final	Original	Final
Revenues												
Resort taxes	\$ 28,707,678	\$ 28,707,678	\$ 21,021,618	\$ 21,021,618	\$ 19,233,731	\$ 19,233,731	\$ 42,500	\$ 42,500	\$ 28,707,678	\$ 28,707,678	\$ 21,021,618	\$ 21,021,618
Intergovernmental												
Rents and leases												
Interest income	152,500	152,500	86,962	86,962	1,173,000	1,173,000	(65,538)	(65,538)	1,173,000	1,173,000	665,138	665,138
Miscellaneous	1,046,500	1,046,500	1,486,673	1,486,673	145,000	145,000	440,173	440,173	297,500	297,500	163,524	163,524
Total revenues	29,906,678	29,906,678	22,637,753	22,637,753	20,643,731	20,643,731	(7,268,925)	(7,268,925)	50,550,409	50,550,409	44,152,639	44,152,639
Expenditures												
General government	902,887	902,887	808,123	808,123			94,764	94,764	902,887	902,887	808,123	808,123
Economic environment	2,676,000	2,676,000	1,565,310	1,565,310	1,145,000	1,145,000	1,360,690	1,360,690	3,821,000	4,071,000	6,255,275	6,255,275
Culture and recreation	8,121,236	8,121,236	6,563,049	6,563,049			1,558,187	1,558,187	8,121,236	8,121,236	6,563,049	6,563,049
Debt service:												
Principal			1,920	1,920			(1,920)	(1,920)			1,920	1,920
Total expenditures	11,700,123	11,950,123	8,938,402	8,938,402	1,145,000	1,145,000	3,011,721	3,011,721	12,845,123	13,095,123	13,628,367	13,628,367
Excess (deficiency) of revenues over (under) expenditures	18,206,555	17,956,555	13,699,351	13,699,351	19,498,731	19,498,731	(4,257,204)	(4,257,204)	37,705,286	37,455,286	30,524,272	30,524,272
Other financing sources (uses)												
Transfers in	1,281,011	1,281,011	2,174,881	2,174,881			893,870	893,870	1,281,011	1,281,011	3,990,304	3,990,304
Transfers out	(19,487,566)	(19,487,566)	(17,510,595)	(17,510,595)	(19,498,731)	(19,498,731)	1,976,971	1,976,971	(38,986,297)	(38,986,297)	(36,314,930)	(36,314,930)
Total other financing sources (uses)	(18,206,555)	(18,206,555)	(15,335,714)	(15,335,714)	(19,498,731)	(19,498,731)	2,870,841	2,870,841	(37,705,286)	(37,705,286)	(32,324,626)	(32,324,626)
Net change in fund balances		(250,000)	(1,636,363)	(1,636,363)			(1,386,363)	(1,386,363)		(250,000)	(1,800,354)	(1,800,354)
Fund balances - beginning of year	5,035,477	5,035,477	5,035,477	5,035,477	19,621,465	19,621,465	19,621,465	19,621,465	5,035,477	24,656,942	24,656,942	24,656,942
Fund balances - end of year	\$ 5,035,477	\$ 4,785,477	\$ 3,399,114	\$ 3,399,114	\$ 19,621,465	\$ 19,621,465	\$ (1,386,363)	\$ (1,386,363)	\$ 5,035,477	\$ 24,406,942	\$ 22,856,588	\$ 22,856,588

CITY OF MIAMI BEACH, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2002

1. Budgetary Policy

A. Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects fund, which adopts project-length budgets.

At least 65 days prior to the beginning of the fiscal year, the City Commission is presented with a proposed budget. The proposed budget includes anticipated expenditures and the means of financing them. After Commission review and public hearings, the budget is adopted prior to October 1st. The budgets are approved by fund and department. Management may transfer amounts between line items within a department as long as the transfer does not result in an increase in the department's budget. Increases to funds or department budgets and transfers between departments require City Commission approval.

Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the City. Budgets are adopted on the modified accrual basis of accounting with the inclusion of encumbrances as reductions in the budgetary amount available (Budgetary Basis). Appropriations not encumbered lapse at yearend. Outstanding encumbrances at yearend are reported as a reservation of fund equity.

The Statement of Revenues and Expenditures, Budget and Actual is presented for the funds which have legally adopted annual budgets. Those funds are: General Fund, Resort Tax Special Revenue Fund, Miami Beach Redevelopment Agency (a blended component unit) Special Revenue Fund, General Obligation Debt Service Fund and Miami Beach Redevelopment Agency Debt Service Fund. Funds and Grants that have multi-year project budgets are not presented in statements.

There were seven supplemental budgetary appropriations during fiscal year ended September 30, 2002.

Encumbrance accounting, under which purchase order commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances, since they do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Excess of expenditures over appropriations

For the year ended September 30, 2002, expenditures exceeded appropriations in the Miami Beach Redevelopment Agency Special Revenue Fund in the economic environment category by \$3,544,965. These expenditures were funded by resources not used from transfers.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Community Development Block Grant – This fund accounts for the receipt and expenditure of funds under this Federal Program.

Parking Impact Fees Fund – This fund accounts for impact fee revenue paid, primarily by owners of new and existing construction, in lieu of their ability to provide adequate parking spaces as defined by City Ordinance. The fund is also responsible for the disbursement of funds for various parking related projects in the impacted areas.

Transportation Concurrency Management Fund – This fund oversees, maintains, directs the City's concurrency management system, the land use/transportation planning and traffic management efforts and projects.

Police Confiscation and Training Fund – This fund accounts for revenues received that are restricted to police related expenditures with multiple restrictions.

Other Special Revenue Fund – This fund accounts for the revenues and expenditures of a series of small grants.

Debt Service Funds

General Obligation Fund – This fund accounts for principal and interest payments made for general obligations.

Excise Tax Fund – This fund accounts for Resort Tax Special Obligation payments made for principal and interest.

Gulf Breeze Special Obligation Fund – This fund accounts for principal and interest payments made for the Gulf Breeze VRDS.

Miami Beach Redevelopment Agency Fund – This fund accounts for principal and interest payments made for the Tax Increment Revenue Special Obligation Bonds.

Sunshine State Special Obligation Fund – This fund accounts for principal and interest payments made for the Sunshine State VRDS.

Pension Special Obligation Fund – This fund accounts for principal and interest payments made for the Pension Special Obligation Bonds.

**CITY OF MIAMI BEACH, FLORIDA
COMBINED BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2002**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 14,871,586	\$ 11,989,730	\$ 26,861,316
Receivables:			
Accounts, net	646,372	856,169	1,502,541
Accrued interest		9,572	9,572
Delinquent taxes		44,303	44,303
Due from other funds	742		742
Due from other governments	490,943		490,943
Prepaid	3,919		3,919
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 16,013,562</u>	<u>\$ 12,899,774</u>	<u>\$ 28,913,336</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 467,458	\$ 7,602	\$ 475,060
Accrued expenditures	45,946	8,504	54,450
Deferred revenues		48,879	48,879
Advances from other funds	130,000		130,000
Due to other funds	134,263		134,263
Due to other governments	423		423
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>778,090</u>	<u>64,985</u>	<u>843,075</u>
FUND BALANCES			
Reserved for :			
Prepaid	3,919		3,919
Encumbrances	3,371,509		3,371,509
Debt service		12,834,789	12,834,789
Unreserved	11,860,044		11,860,044
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>15,235,472</u>	<u>12,834,789</u>	<u>28,070,261</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 16,013,562</u>	<u>\$ 12,899,774</u>	<u>\$ 28,913,336</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2002

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
REVENUES			
Property taxes	\$	\$ 9,644,645	\$ 9,644,645
Federal grants	5,554,390		5,554,390
State grants	1,786,649		1,786,649
Grants from other local units	533,347		533,347
Special assessments		418,220	418,220
Sales and charges for services	2,060,581		2,060,581
Fines and forfeitures	1,456,528		1,456,528
Impact Fees	872,609		872,609
Interest income	748,234	136,930	885,164
Miscellaneous	313,717	8,800	322,517
	<hr/>	<hr/>	<hr/>
Total revenues	13,326,055	10,208,595	23,534,650
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Public safety	2,372,801		2,372,801
Transportation	3,137,463		3,137,463
Economic environment	4,050,014		4,050,014
Human services	1,019,182		1,019,182
Culture and recreation	3,851,693		3,851,693
Debt Service:			
Principal	320,000	12,083,000	12,403,000
Interest	17,933	16,145,697	16,163,630
	<hr/>	<hr/>	<hr/>
Total expenditures	14,769,086	28,228,697	42,997,783
	<hr/>	<hr/>	<hr/>
Deficiency of revenues under expenditures	(1,443,031)	(18,020,102)	(19,463,133)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,651,935	18,228,282	19,880,217
Transfers out	(150,000)	(388,326)	(538,326)
	<hr/>	<hr/>	<hr/>
Total other financing sources	1,501,935	17,839,956	19,341,891
	<hr/>	<hr/>	<hr/>
Net change in fund balances	58,904	(180,146)	(121,242)
	<hr/>	<hr/>	<hr/>
Fund balances - beginning of year	15,176,568	13,014,935	28,191,503
	<hr/>	<hr/>	<hr/>
Fund balances - end of year	\$ 15,235,472	\$ 12,834,789	\$ 28,070,261
	<hr/>	<hr/>	<hr/>

**CITY OF MIAMI BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

September 30, 2002

	Community Development Block Grant Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	Other Special Revenue Fund	Total
ASSETS						
Cash and investments	\$ 12,974	\$ 8,564,194	\$ 2,214,417	\$ 1,724,788	\$ 2,355,213	\$ 14,871,586
Receivables:						
Accounts, net	742			5,112	641,260	646,372
Due from other funds	371,252				119,691	490,943
Due from other governments					3,919	3,919
Prepaid						
Total assets	\$ 384,968	\$ 8,564,194	\$ 2,214,417	\$ 1,729,900	\$ 3,120,083	\$ 16,013,562
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 190,497	\$	\$ 4,567	\$ 79,240	\$ 193,154	\$ 467,458
Accrued expenditures	19,064				26,882	45,946
Advances from other funds	130,000					130,000
Due to other funds	45,407				88,856	134,263
Due to other governments					423	423
Total liabilities	384,968		4,567	79,240	309,315	778,090
Fund balances:						
Reserved for prepaid					3,919	3,919
Reserved for encumbrances			25,214	539,446	2,806,849	3,371,509
Unreserved		8,564,194	2,184,636	1,111,214		11,860,044
Total fund balances		8,564,194	2,209,850	1,650,660	2,810,768	15,235,472
Total liabilities and fund balances	\$ 384,968	\$ 8,564,194	\$ 2,214,417	\$ 1,729,900	\$ 3,120,083	\$ 16,013,562

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended September 30, 2002

	Community Development Block Grant Fund	Parking Impact Fees Fund	Transportation Concurrency Management Fund	Police Confiscation and Training Fund	Other Special Revenue Fund	Total
Revenues:						
Federal grants	\$ 3,135,657	\$	\$	\$	\$ 2,418,733	\$ 5,554,390
State grants					1,786,649	1,786,649
Grants from other local units					533,347	533,347
Sales and charges for services	1,085,307				975,274	2,060,581
Fines and forfeitures				1,456,528		1,456,528
Impact Fees		104,420	768,189			872,609
Interest income		146,136		32,430	569,668	748,234
Miscellaneous	28,697			11,786	273,234	313,717
Total revenues	4,249,661	250,556	768,189	1,500,744	6,556,905	13,326,055
Expenditures:						
Current:						
Public safety	37,007			1,279,446	1,056,348	2,372,801
Transportation	507,244		56,400		2,573,819	3,137,463
Economic environment	1,996,748				2,053,266	4,050,014
Human services	573,378				445,804	1,019,182
Culture and recreation	797,351				3,054,342	3,851,693
Debt Service:						
Principal	320,000					320,000
Interest	17,933					17,933
Total expenditures	4,249,661		56,400	1,279,446	9,183,579	14,769,086
Excess (deficiency) of revenues over (under) expenditures		250,556	711,789	221,298	(2,626,674)	(1,443,031)
OTHER FINANCING SOURCES (USES)						
Transfers in					1,651,935	1,651,935
Transfers out			(150,000)			(150,000)
Total other financing sources (uses)			(150,000)		1,651,935	1,501,935
Net change in fund balances		250,556	561,789	221,298	(974,739)	58,904
Fund balances - beginning of year		8,313,638	1,648,061	1,429,362	3,785,507	15,176,568
Fund balances - end of year	\$	\$ 8,564,194	\$ 2,209,850	\$ 1,650,660	\$ 2,810,768	\$ 15,235,472

**CITY OF MIAMI BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET**

September 30, 2002

	General Obligation Debt Service Fund	Excise Tax Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Sunshine State Special Obligation Debt Service Fund	Pension Special Obligation Debt Service Fund	Total
<u>Assets</u>							
Cash and investments	\$ 1,094,458	\$ 526,284	\$ 192,475	\$ 9,014,347	\$ 1,155,933	\$ 6,233	\$ 11,989,730
Receivables:							
Accounts, net	115,555				740,614		856,169
Accrued interest	44,303			9,572			9,572
Delinquent taxes							44,303
Total assets	\$ 1,254,316	\$ 526,284	\$ 192,475	\$ 9,023,919	\$ 1,896,547	\$ 6,233	\$ 12,899,774
<u>Liabilities and fund balances</u>							
Liabilities:							
Accounts payable	\$ 1,063	\$ 1,063	\$	\$	\$ 160	\$ 5,316	\$ 7,602
Accrued expenditures	48,879				8,504		8,504
Deferred revenues							48,879
Total liabilities	49,942	1,063			8,664	5,316	64,985
Fund balances:							
Reserved for debt service	1,204,374	525,221	192,475	9,023,919	1,887,883	917	12,834,789
Total fund balances	1,204,374	525,221	192,475	9,023,919	1,887,883	917	12,834,789
Total liabilities and fund balances	\$ 1,254,316	\$ 526,284	\$ 192,475	\$ 9,023,919	\$ 1,896,547	\$ 6,233	\$ 12,899,774

CITY OF MIAMI BEACH, FLORIDA
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Fiscal Year Ended September 30, 2002

	General Obligation Debt Service Fund	Excise Tax Debt Service Fund	Gulf Breeze Special Obligation Debt Service Fund	Miami Beach Redevelopment Agency Debt Service Fund	Sunshine State Special Obligation Debt Service Fund	Pension Special Obligation Debt Service Fund	Total
Revenues:							
Property taxes	\$ 9,644,645	\$	\$	\$	\$	\$	\$ 9,644,645
Special assessments	154	562	352	134,244	418,220	1,618	418,220
Interest income	8,800						136,930
Other							8,800
Total revenues	9,653,599	562	352	134,244	418,220	1,618	10,208,595
Expenditures:							
Debt Service:							
Principal	7,175,000	95,000		2,680,000	413,000	1,720,000	12,083,000
Interest	2,573,150	208,677	1,509,079	7,243,956	478,435	4,132,400	16,145,697
Total expenditures	9,748,150	303,677	1,509,079	9,923,956	891,435	5,852,400	28,228,697
Excess of expenditures over revenues	(94,551)	(303,115)	(1,508,727)	(9,789,712)	(473,215)	(5,850,782)	(18,020,102)
Other financing sources (uses):							
Operating transfers in	93,494	302,616	1,520,621	9,658,240	802,174	5,851,137	18,228,282
Operating transfers out					(388,326)		(388,326)
Total other financing sources	93,494	302,616	1,520,621	9,658,240	413,848	5,851,137	17,839,956
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,057)	(499)	11,894	(131,472)	(59,367)	355	(180,146)
Fund balances at beginning of year	1,205,431	525,720	180,581	9,155,391	1,947,250	562	13,014,935
Fund balances at end of year	\$ 1,204,374	\$ 525,221	\$ 192,475	\$ 9,023,919	\$ 1,887,883	\$ 917	\$ 12,834,789

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
September 30, 2002

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 2,472,507	\$ 1,356,202	\$ 704,169	\$ 4,532,878
Accounts receivable (net of allowance for uncollectibles)	403,424	26,669	300,028	730,121
Prepaid expenses	7,492	164,190	171,682	171,682
Total current assets	<u>2,875,931</u>	<u>1,390,363</u>	<u>1,168,387</u>	<u>5,434,681</u>
Noncurrent assets:				
Restricted cash and cash equivalents		3,130	52,230	55,360
Capital assets:				
Land	405,680	2,793,051	210,230	3,408,961
Buildings and structures	542,339	11,955,752	899,896	13,397,987
Machinery and equipment	1,886,826			1,886,826
Less accumulated depreciation	(949,120)	(1,354,925)	(101,984)	(2,406,029)
Total capital assets (net of accumulated depreciation)	<u>1,885,725</u>	<u>13,393,878</u>	<u>1,008,142</u>	<u>16,287,745</u>
Total noncurrent assets	<u>1,885,725</u>	<u>13,397,008</u>	<u>1,060,372</u>	<u>16,343,105</u>
Total assets	<u>4,761,656</u>	<u>14,787,371</u>	<u>2,228,759</u>	<u>21,777,786</u>
LIABILITIES				
Current liabilities:				
Accounts payable	301,457	28,196	3,341	332,994
Accrued expenses	41,745	4,298		46,043
Current portion of loan payable	131,614			131,614
Accrued compensated absences	152,929			152,929
Due to other governments		8,010	3,784	11,794
Due to other funds		21,486		21,486
Total current liabilities	<u>627,745</u>	<u>61,990</u>	<u>7,125</u>	<u>696,860</u>
Noncurrent liabilities:				
Deposits payable from restricted assets		3,130	52,230	55,360
Loan payable	751,904			751,904
Total noncurrent liabilities	<u>751,904</u>	<u>3,130</u>	<u>52,230</u>	<u>807,264</u>
Total liabilities	<u>1,379,649</u>	<u>65,120</u>	<u>59,355</u>	<u>1,504,124</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,885,725	13,393,878	1,008,142	16,287,745
Unrestricted	1,496,282	1,328,373	1,161,262	3,985,917
Total net assets	<u>\$ 3,382,007</u>	<u>\$ 14,722,251</u>	<u>\$ 2,169,404</u>	<u>\$ 20,273,662</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2002

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Operating revenues:				
Charges for services	\$ 3,864,730	\$ 1,841,125	\$ 631,139	\$ 6,336,994
Permits, rentals, and other	1,637,896	10,856	249	1,649,001
Total operating revenues	5,502,626	1,851,981	631,388	7,985,995
Operating expenses:				
Personal services	2,147,988			2,147,988
Operating supplies	267,985			267,985
Contractual services	1,849,480	1,119,113	15,026	2,983,619
Utilities	24,293			24,293
Internal charges	719,283			719,283
Depreciation	221,152	398,525	29,997	649,674
Administrative fees	250,000			250,000
Other operating		12,369	192,536	204,905
Total operating expenses	5,480,181	1,530,007	237,559	7,247,747
Operating income	22,445	321,974	393,829	738,248
Nonoperating revenues (expenses):				
Interest and fiscal charges	(22,571)			(22,571)
Disposal of assets	(24,926)			(24,926)
Interest income	36,522			36,522
Total nonoperating expenses	(10,975)			(10,975)
Income before contributions and transfers	11,470	321,974	393,829	727,273
Capital contributions	35,559			35,559
Transfers in	381,542			381,542
Transfers out	(53,428)			(53,428)
Change in net assets	375,143	321,974	393,829	1,090,946
Total net assets - beginning	3,006,864	14,400,277	1,775,575	19,182,716
Total net assets - ending	\$ 3,382,007	\$ 14,722,251	\$ 2,169,404	\$ 20,273,662

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INCREASE IN CASH AND INVESTMENTS
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2002

	Sanitation Fund	Miami Beach Redevelopment Agency's Parking Fund	Miami Beach Redevelopment Agency's Leasing Fund	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 3,816,375	\$ 1,814,456	\$ 731,730	\$ 6,362,561
Cash paid to suppliers	(2,231,513)	(1,139,441)	(329,396)	(3,700,350)
Cash paid to employees	(2,210,933)			(2,210,933)
Internal activity-payments to other funds	(969,283)			(969,283)
Miscellaneous revenues	1,637,896	10,856	249	1,649,001
Net cash provided by operating activities	<u>42,542</u>	<u>685,871</u>	<u>402,583</u>	<u>1,130,996</u>
Cash flows for non-capital financing activities:				
Loan payable	947,612			947,612
Repayment of loan	(64,093)			(64,093)
Transfers in	381,542			381,542
Transfers out	(53,428)			(53,428)
Net cash provided by non-capital financing activities	<u>1,211,633</u>			<u>1,211,633</u>
Cash flows from capital and related financial activities:				
Interest and fiscal charges	(16,685)			(16,685)
Purchase of fixed assets	(364,807)			(364,807)
Proceeds from sale of fixed assets	37,405			37,405
Net cash used in capital and related financial activities	<u>(344,087)</u>			<u>(344,087)</u>
Cash flows from investing activities:				
Interest on investments	36,522			36,522
Net cash provided by investing activities	<u>36,522</u>			<u>36,522</u>
Net increase in cash and equivalents	946,610	685,871	402,583	2,035,064
Cash and investments - beginning of year	<u>1,525,897</u>	<u>673,461</u>	<u>353,816</u>	<u>2,553,174</u>
Cash and investments - end of year	<u>\$ 2,472,507</u>	<u>\$ 1,359,332</u>	<u>\$ 756,399</u>	<u>\$ 4,588,238</u>
Classified as:				
Current assets	\$ 2,472,507	\$ 1,356,202	\$ 704,169	\$ 4,532,878
Restricted assets		3,130	52,230	55,360
Total cash and investments	<u>\$ 2,472,507</u>	<u>\$ 1,359,332</u>	<u>\$ 756,399</u>	<u>\$ 4,588,238</u>
Non-cash transactions affecting financial position:				
Capital contributions of fixed assets	<u>\$ 35,559</u>	<u>\$</u>	<u>\$</u>	<u>\$ 35,559</u>

(continued)

CITY OF MIAMI BEACH, FLORIDA
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY
OPERATING ACTIVITIES
NONMAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended September 30, 2002

(continued)

	<u>Sanitation Fund</u>	<u>Miami Beach Redevelopment Agency's Parking Fund</u>	<u>Miami Beach Redevelopment Agency's Leasing Fund</u>	<u>Totals</u>
Operating income	\$ 22,445	\$ 321,974	\$ 393,829	\$ 738,248
Adjustments to reconcile operating income to cash provided by operating activities:				
Depreciation	221,152	398,525	29,997	649,674
Provision for uncollectible accounts	(15,231)		(71,465)	(86,696)
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(39,605)	(26,669)	100,591	34,317
Decrease in due from other governments			45	45
Increase in prepaid expense		(492)	(12,874)	(13,366)
Increase (decrease) in accounts payable	(68,528)	(30,028)	3,341	(95,215)
Increase (decrease) in accrued expenses	(1,838)	4,297		2,459
Decrease in deposits		(8,846)		(8,846)
Increase in due to other governments		5,624	3,784	9,408
Increase (decrease) in due to other funds		21,486	(44,665)	(23,179)
Decrease in deferred revenues	(8,750)			(8,750)
Decrease in accrued compensated absences	(67,103)			(67,103)
Total adjustments	20,097	363,897	8,754	392,748
Net cash provided by operating activities	<u>\$ 42,542</u>	<u>\$ 685,871</u>	<u>\$ 402,583</u>	<u>\$ 1,130,996</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
September 30, 2002

	Fleet Management Fund	Property Management Fund	Central Services Fund	Self Insurance Fund	Communications Fund	Total
ASSETS						
Current assets:						
Cash and investments	\$ 9,008,825	\$ 1,172,571	\$ 161,051	\$	\$ 5,556,151	\$ 15,898,598
Cash with fiscal agent				100,000		100,000
Inventories at cost	118,387	168,202	22,538		40,873	350,000
Accounts receivable, net	34,079	5,057	1,431	30,952	3,771	75,290
Due from other funds		887	2,080			2,967
Prepaid expenses				1,285,416		1,285,416
Total current assets	<u>9,161,291</u>	<u>1,346,717</u>	<u>187,100</u>	<u>1,416,368</u>	<u>5,600,795</u>	<u>17,712,271</u>
Noncurrent assets:						
Restricted assets:						
Cash and investments				7,413,902		7,413,902
Capital assets:						
Land	608,520					608,520
Buildings and structures	2,001,269	19,276				2,020,545
Machinery and equipment	24,358,163	1,925,295	111,197	48,558	17,181,859	43,625,072
Less accumulated depreciation	<u>(15,155,789)</u>	<u>(1,356,182)</u>	<u>(98,728)</u>	<u>(47,569)</u>	<u>(13,716,049)</u>	<u>(30,374,317)</u>
Total capital assets (net of accumulated depreciation)	<u>11,812,163</u>	<u>588,389</u>	<u>12,469</u>	<u>989</u>	<u>3,465,810</u>	<u>15,879,820</u>
Total assets	<u>20,973,454</u>	<u>1,935,106</u>	<u>199,569</u>	<u>8,831,259</u>	<u>9,066,605</u>	<u>41,005,993</u>
LIABILITIES						
Current liabilities:						
Accounts payable	80,846	281,341	2,583	323,253	332,672	1,020,695
Accrued expenses	26,697	64,107	4,559	8,736	58,588	162,687
Accrued compensated absences	96,486	266,708	16,084	38,604	282,911	700,793
Due to other funds	9,604					9,604
Current portion of loan payable	159,113				27,839	186,952
Total current liabilities	<u>372,746</u>	<u>612,156</u>	<u>23,226</u>	<u>370,593</u>	<u>702,010</u>	<u>2,080,731</u>
Noncurrent liabilities:						
Loan payable	667,259				270,348	937,607
Pending insurance claims				7,247,000		7,247,000
Insurance claims incurred but not reported				7,534,000		7,534,000
Total noncurrent liabilities	<u>667,259</u>	<u></u>	<u></u>	<u>14,781,000</u>	<u>270,348</u>	<u>15,718,607</u>
Total liabilities	<u>1,040,005</u>	<u>612,156</u>	<u>23,226</u>	<u>15,151,593</u>	<u>972,358</u>	<u>17,799,338</u>
NET ASSETS						
Invested in capital assets, net of related debt	11,812,163	588,389	12,469	989	3,465,810	15,879,820
Unrestricted	8,121,286	734,561	163,874	(6,321,323)	4,628,437	7,326,835
Total net assets	<u>\$ 19,933,449</u>	<u>\$ 1,322,950</u>	<u>\$ 176,343</u>	<u>\$ (6,320,334)</u>	<u>\$ 8,094,247</u>	<u>\$ 23,206,655</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended September 30, 2002

	Fleet Management Fund	Property Management Fund	Central Services Fund	Self Insurance Fund	Communications Fund	Total
Operating revenues:						
Charges for services	\$ 5,676,689	\$ 6,178,342	\$ 700,575	\$ 10,137,125	\$ 7,436,191	\$ 30,128,922
Miscellaneous	95,312	22,635		683,687		801,634
Total operating revenues	5,772,001	6,200,977	700,575	10,820,812	7,436,191	30,930,556
Operating expenses:						
Personal services	1,020,776	2,794,706	242,996	402,871	2,359,074	6,820,423
Operating supplies	1,839,156	696,192	44,317	3,713,373	431,114	6,724,152
Contractual services	290,607	1,175,481	270,282	1,231,504	1,039,388	4,007,262
Utilities	43,780	547,356	67	1,003	781,864	1,374,070
Internal charges	555,153	514,674	56,885	24,678	631,226	1,782,616
Administrative fees	100,000	75,000	25,000	571,094	75,000	846,094
Depreciation	2,676,092	166,313	5,940	2,561	2,259,872	5,110,778
Insurance				1,856,149		1,856,149
Claims and judgements				5,176,614		5,176,614
Total operating expenses	6,525,564	5,969,722	645,487	12,979,847	7,577,538	33,698,158
Operating income (loss)	(753,563)	231,255	55,088	(2,159,035)	(141,347)	(2,767,602)
Nonoperating revenues (expenses):						
Interest and fiscal charges	(20,950)				(7,605)	(28,555)
Disposal of assets	50,780	4,380		(1,105)	(392,164)	(338,109)
Interest income	154,635	13,027	2,137	146,266	86,007	402,072
Total nonoperating revenues (expenses)	184,465	17,407	2,137	145,161	(313,762)	35,408
Income (loss) before contributions and transfers	(569,098)	248,662	57,225	(2,013,874)	(455,109)	(2,732,194)
Capital contributions	938,529	9,832		896		949,257
Transfers out		(4,311)		(8,664)	(56,497)	(69,472)
Change in net assets	369,431	254,183	57,225	(2,021,642)	(511,606)	(1,852,409)
Net assets—beginning	19,564,018	1,068,767	119,118	(4,298,692)	8,605,853	25,059,064
Net assets—ending	\$ 19,933,449	\$ 1,322,950	\$ 176,343	\$ (6,320,334)	\$ 8,094,247	\$ 23,206,655

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
INCREASE (DECREASE) IN CASH AND INVESTMENTS

For the Fiscal Year Ended September 30, 2002

	Fleet Management Fund	Property Maintenance Fund	Central Services Fund	Self Insurance Fund	Communications Fund	Totals
Cash flows from operating activities:						
Cash received from users	\$ 5,676,689	\$ 6,178,342	\$ 709,680	\$ 10,111,595	\$ 7,439,562	\$ 30,115,868
Cash paid to suppliers	(2,756,948)	(2,425,871)	(355,575)	(7,055,329)	(2,499,393)	(15,093,116)
Cash paid to employees	(968,922)	(2,714,931)	(239,502)	(385,887)	(2,269,777)	(6,579,019)
Cash paid for claims and judgements				(4,106,614)		(4,106,614)
Internal charges-payments to other funds	(655,153)	(589,674)	(81,885)	(595,772)	(706,226)	(2,628,710)
Miscellaneous revenues	82,856	30,923		683,687		797,466
Net cash provided by (used in) operating activities	<u>1,378,522</u>	<u>478,789</u>	<u>32,718</u>	<u>(1,348,320)</u>	<u>1,964,166</u>	<u>2,505,875</u>
Cash flows for non-capital financing activities:						
Proceeds from loan	903,886				311,734	1,215,620
Repayment of loan	(77,514)				(13,546)	(91,060)
Transfers out		(4,311)		(8,664)	(56,497)	(69,472)
Net cash provided by (used in) non-capital financing activities	<u>826,372</u>	<u>(4,311)</u>		<u>(8,664)</u>	<u>241,691</u>	<u>1,055,088</u>
Cash flows from capital and related financial activities:						
Interest and fiscal charges	(15,553)				(5,592)	(21,145)
Purchase of fixed assets	(1,987,952)	(300,177)	(10,341)		(1,650,050)	(3,948,520)
Proceeds from sale of fixed assets	129,279	4,380			1,870	135,529
Net cash used in capital and related financial activities	<u>(1,874,226)</u>	<u>(295,797)</u>	<u>(10,341)</u>		<u>(1,653,772)</u>	<u>(3,834,136)</u>
Cash flows from investing activities:						
Interest on investments	<u>154,635</u>	<u>13,027</u>	<u>2,137</u>	<u>146,266</u>	<u>86,007</u>	<u>402,072</u>
Net cash provided by investing activities	<u>154,635</u>	<u>13,027</u>	<u>2,137</u>	<u>146,266</u>	<u>86,007</u>	<u>402,072</u>
Net increase (decrease) in cash and equivalents	485,303	191,708	24,514	(1,210,718)	638,092	128,899
Cash and investments - beginning of year	<u>8,523,522</u>	<u>980,863</u>	<u>136,537</u>	<u>8,724,620</u>	<u>4,918,059</u>	<u>23,283,601</u>
Cash and investments - end of year	<u>\$ 9,008,825</u>	<u>\$ 1,172,571</u>	<u>\$ 161,051</u>	<u>\$ 7,513,902</u>	<u>\$ 5,556,151</u>	<u>\$ 23,412,500</u>
Classified as:						
Current assets	\$ 9,008,825	\$ 1,172,571	\$ 161,051	\$ 100,000	\$ 5,556,151	\$ 15,998,598
Restricted assets				7,413,902		7,413,902
Total cash and investments	<u>\$ 9,008,825</u>	<u>\$ 1,172,571</u>	<u>\$ 161,051</u>	<u>\$ 7,513,902</u>	<u>\$ 5,556,151</u>	<u>\$ 23,412,500</u>
Non-cash transactions affecting financial position:						
Capital contributions of fixed assets	<u>\$ 938,529</u>	<u>\$ 9,832</u>	<u>\$</u>	<u>\$ 896</u>	<u>\$</u>	<u>\$ 949,257</u>

(continued)

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES
For the Fiscal Year Ended September 30, 2002

(continued)

	Fleet Management Fund	Property Maintenance Fund	Central Services Fund	Self Insurance Fund	Communications Fund	Totals
Operating income (loss)	\$ (753,563)	\$ 231,255	\$ 55,088	\$ (2,159,035)	\$ (141,347)	\$ (2,767,602)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	2,676,092	166,313	5,940	2,561	2,259,872	5,110,778
Provision for uncollectible accounts	542	240	392		(5,138)	(3,964)
Changes in assets and liabilities:						
(Increase) decrease in inventories	(6,329)	(20,414)	2,295		(20,088)	(44,536)
(Increase) decrease in accounts receivable	(12,456)	9,175	(32)	(25,530)	3,248	(25,595)
(Increase) decrease in due from other funds		(887)	9,137		123	8,373
Increase in prepaid expense				(407,195)		(407,195)
Increase (decrease) in accounts payable	(586,326)	74,050	(42,079)	156,878	(220,241)	(617,718)
Increase in due to other funds	9,604					9,604
Increase in accrued compensated absences	43,098	57,311	2,521	14,003	66,983	183,916
Increase in pending insurance claims				1,116,000		1,116,000
Increase in insurance claims incurred but not reported				(46,000)		(46,000)
Increase (decrease) in accrued expenses	7,860	(38,254)	(544)	(2)	20,754	(10,186)
Total adjustments	2,132,085	247,534	(22,370)	810,715	2,105,513	5,273,477
Net cash provided by (used in) operating activities	\$ 1,378,522	\$ 478,789	\$ 32,718	\$ (1,348,320)	\$ 1,964,166	\$ 2,505,875

**CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUNDS**

September 30, 2002

	Retirement System for General Employees	Retirement System for Police and Fire	Retirement System for Non- Civil Serv. Empl.	Totals
Assets				
Cash and cash equivalents	\$ 6,566	\$ 10,000	\$ 363,733	\$ 380,299
Accrued interest receivable	606,233	2,775,553	45,734	3,427,520
Investments, at fair value:				
Short-term investments	3,949,738	14,299,999	948,362	19,198,099
Commingled fixed income trust funds			16,722,556	16,722,556
U.S. Government securities	25,138,924	37,949,573		63,088,497
Corporate bonds	19,622,501	149,043,914		168,666,415
Common stocks and index funds	153,628,183	162,287,738	52,771,716	368,687,637
Money market funds		1,101,903		1,101,903
Collective investment fund		10,557,721		10,557,721
Total investments	<u>202,339,346</u>	<u>375,240,848</u>	<u>70,442,634</u>	<u>648,022,828</u>
Total assets	<u>202,952,145</u>	<u>378,026,401</u>	<u>70,852,101</u>	<u>651,830,647</u>
Liabilities				
Accounts payable		<u>4,046,133</u>	<u>184,552</u>	<u>4,230,685</u>
Total liabilities		<u>4,046,133</u>	<u>184,552</u>	<u>4,230,685</u>
Net Assets				
Held in trust for pension benefits	<u>\$ 202,952,145</u>	<u>\$ 373,980,268</u>	<u>\$ 70,667,549</u>	<u>\$ 647,599,962</u>

CITY OF MIAMI BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS

For the Fiscal Year Ended September 30, 2002

	Retirement System for General Employees	Retirement System for Police and Fire	Retirement System for Non- Civil Serv. Empl.	Totals
Additions:				
Contributions -				
Employer	\$ 2,224,750	\$ 3,510,328	\$ 746,820	\$ 3,510,328
Employee		3,722,117		6,693,687
Transfers from other systems		520,879	31,780	552,659
Other	11,409			11,409
Total contributions	2,236,159	7,753,324	778,600	10,768,083
Investment income -				
Net decrease in fair value of investments	(19,975,308)	(15,262,018)	(9,701,864)	(44,939,190)
Interest income	6,122,517	12,556,783	1,021,315	19,700,615
Dividends	766,509	2,831,052	832,432	4,429,993
	(13,086,282)	125,817	(7,848,117)	(20,808,582)
Investment management expenses	(396,005)	(1,153,310)	(196,103)	(1,745,418)
Deferred retirement option plan participants' loss		(141)		(141)
Net investment loss	(13,482,287)	(1,027,634)	(8,044,220)	(22,554,141)
Total additions (deductions)	(11,246,128)	6,725,690	(7,265,620)	(11,786,058)
Deductions:				
Benefit paid	14,176,098	20,107,750	4,052,113	38,335,961
Contributions refunded	200,941	102,885	133,808	437,634
Transfers to other systems	49,422			49,422
Administrative expenses	261,197	498,825	163,061	923,083
Total deductions	14,687,658	20,709,460	4,348,982	39,746,100
Net decrease	(25,933,786)	(13,983,770)	(11,614,602)	(51,532,158)
Net assets held in trust for pension benefits - beginning of year	228,885,931	387,964,038	82,282,151	699,132,120
Net assets held in trust for pension benefits - end of year	<u>\$ 202,952,145</u>	<u>\$ 373,980,268</u>	<u>\$ 70,667,549</u>	<u>\$ 647,599,962</u>

**CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS**

September 30, 2002

	<u>Miami Beach Visitor and Convention Authority</u>	<u>Miami Beach Health Facilities Authority</u>	<u>Total</u>
Assets			
Cash and investments	\$ 1,039,695	\$ 774,587	\$ 1,814,282
Accounts receivable	115,240	340,376	455,616
Capital assets, net of accumulated depreciation	<u>5,768</u>	<u></u>	<u>5,768</u>
Total assets	<u>1,160,703</u>	<u>1,114,963</u>	<u>2,275,666</u>
Liabilities			
Accounts payable	<u>14,214</u>	<u>318,080</u>	<u>332,294</u>
Total liabilities	<u>14,214</u>	<u>318,080</u>	<u>332,294</u>
Net Assets			
Invested in capital assets	5,768		5,768
Unrestricted	1,140,721	796,883	1,937,604
Total net assets	<u>\$ 1,146,489</u>	<u>\$ 796,883</u>	<u>\$ 1,943,372</u>

**CITY OF MIAMI BEACH, FLORIDA
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS**

For the Fiscal Year Ended September 30, 2002

		Program Revenues	Net (Expense) Revenue and Changes in Net Assets		
		Operating Grants and Contributions	Visitor and Convention Authority	Health Facilities Authority	
	Expenses				Totals
Miami Beach Visitor and Convention Authority					
Cultural - grant program	\$ 727,923	\$ 82,213	\$ (645,710)	\$	\$ (645,710)
General administrative	140,831		(140,831)		(140,831)
Unallocated depreciation	2,903		(2,903)		(2,903)
Total Miami Beach Visitor and Convention Authority	<u>871,657</u>	<u>82,213</u>	<u>(789,444)</u>		<u>(789,444)</u>
Miami Beach Health Facilities Authority					
General administrative	<u>318,255</u>			<u>(318,255)</u>	<u>(318,255)</u>
Total component units	<u>\$ 1,189,912</u>	<u>\$ 82,213</u>			(1,107,699)
General revenues:					
Resort tax allocation			843,069		843,069
Financing fees				121,168	121,168
Contributions not restricted to specific programs			2,800		2,800
Interest			6,286	1,853	8,139
Net assets - beginning			1,083,778	992,117	2,075,895
Net assets - ending			<u>\$ 1,146,489</u>	<u>\$ 796,883</u>	<u>\$ 1,943,372</u>

CITY OF MIAMI BEACH, FLORIDA
BUDGETED DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Years Ended September 30, 2002

	General Obligation Debt Service Fund			Miami Beach Redevelopment Agency Debt Service Fund			Totals		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues									
Property taxes	\$ 9,768,132	\$ 9,644,645	\$ (123,487)	\$	\$	\$	\$ 9,768,132	\$ 9,644,645	\$ (123,487)
Contributions from other funds									
Interest income		154	154	310,000	134,244	(175,756)	310,000	134,398	(175,602)
Other		8,800	8,800					8,800	8,800
Total revenues	9,768,132	9,653,599	(114,533)	310,000	134,244	(175,756)	10,078,132	9,787,843	(290,289)
Expenditures									
Debt Service:									
Principal payments	7,175,000	7,175,000		2,680,000	2,680,000		9,855,000	9,855,000	
Interest payments	2,593,132	2,573,150	19,982	7,272,125	7,243,956	28,169	9,865,257	9,817,106	48,151
Total expenditures	9,768,132	9,748,150	19,982	9,952,125	9,923,956	28,169	19,720,257	19,672,106	48,151
Excess of revenues over expenditures		(94,551)	(94,551)	(9,642,125)	(9,789,712)	(147,587)	(9,642,125)	(9,884,263)	(242,138)
Other financing sources (uses)									
Transfers in		93,494	93,494	22,684,095	9,658,240	(13,025,855)	22,684,095	9,751,734	(12,932,361)
Transfers out				(13,041,970)		13,041,970	(13,041,970)		13,041,970
Total other financing sources		93,494	93,494	9,642,125	9,658,240	16,115	9,642,125	9,751,734	109,609
Net change in fund balances		(1,057)	(1,057)		(131,472)	(131,472)		(132,529)	(132,529)
Fund balances - beginning	1,205,431	1,205,431		9,155,391	9,155,391		10,360,822	10,360,822	
Fund balances - ending	\$ 1,205,431	\$ 1,204,374	\$ (1,057)	\$ 9,155,391	\$ 9,023,919	\$ (131,472)	\$ 10,360,822	\$ 10,228,293	\$ (132,529)

CITY OF MIAMI BEACH, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE

September 30, 2002

Governmental funds capital assets:	
Land	\$ 76,795,251
Buildings	111,477,512
Permanent improvements	68,638,110
Furniture and fixtures	1,247,848
Equipment	3,624,525
Infrastructure	116,795,794
Construction in progress	<u>106,750,826</u>
 Total governmental funds capital assets	 \$ <u><u>485,329,866</u></u>

Investment in governmental funds capital assets by source:	
Balance at 9/30/86	\$ 122,768,007
General fund	4,879,491
Bond fund	247,696,406
Special revenue funds	9,195,705
Trust and agency funds	3,434,733
Redevelopment agency funds	<u>97,355,524</u>
 Total governmental funds capital assets	 \$ <u><u>485,329,866</u></u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

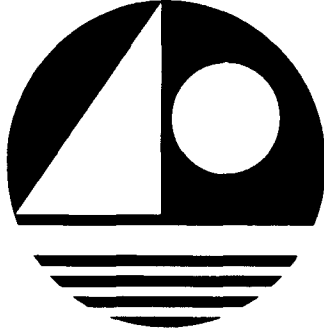
CITY OF MIAMI BEACH, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2002

Function and Activity	Land	Buildings	Furniture and Fixtures	Equipment	Permanent Improvements	Infrastructure	Construction Work-in-progress	Total
General government:								
Mayor and commission	\$	\$	\$ 9,916	\$ 65,066	\$	\$	\$	\$ 74,982
City manager			24,864	7,988				32,852
City clerk			14,177	357,782				371,959
Internal audit			10,671	1,129				11,800
Management and budget			14,750	652				15,402
Finance			132,354	25,994				158,348
Human resources				10,165				10,165
Procurement			3,641	1,583				5,224
City attorney			34,939	4,078				39,017
Planning			7,207	6,492				13,699
Special programs			608	943				1,551
Engineering			3,610	71,911				75,521
Construction and financial management			45,099	2,004				48,103
Unclassified	14,321,214	27,636,659			15,036,005		3,965,139	60,959,017
Total general government	14,321,214	27,636,659	302,836	555,787	15,036,005		3,965,139	61,817,640
Public safety:								
Beach patrol			97,622	43,938				141,560
Building services			11,126	48,829				59,955
Fire	1,340,550	2,014,526	29,448	911,701	1,687,724		2,570,357	8,554,306
Police		29,708,037	607,219	1,334,139	12,049,196		193,110	43,891,701
Emergency 911							1,225,476	1,225,476
Total public safety	1,340,550	31,722,563	745,415	2,338,607	13,736,920		3,986,943	53,872,998
Physical environment							2,762,412	2,762,412
Transportation								
Streets			1,388	153,938		61,822,843	30,334,878	92,313,047
Bridges						19,842,797	2,756	19,845,553
Sidewalks and Walkways						32,578,136	17,819,895	50,398,031
Unclassified	966,037	361,508	1,050	1,129		1,021,783	880,138	3,231,645
Total transportation	966,037	361,508	2,438	155,067		115,265,559	49,037,567	165,788,276
Economic environment								
Redevelopment Agency	49,850,853	34,840,724			2,508,051		10,155,896	97,355,524
Unclassified			7,870	7,705			117,448	133,023
Total economic environment	49,850,853	34,840,724	7,870	7,705	2,508,051		10,273,344	97,488,547
Human services			5,657	649			857,277	863,583
Culture and recreation	10,316,597	16,916,058	183,632	586,710	37,357,134	1,530,235	35,866,044	102,736,410
Total governmental funds capital assets	\$ 76,795,251	\$ 111,477,512	\$ 1,247,848	\$ 3,624,525	\$ 68,638,110	\$ 116,795,794	\$ 106,750,825	\$ 485,329,865

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

CITY OF MIAMI BEACH, FLORIDA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Fiscal Year Ended September 30, 2002

Function and Activity	Governmental Funds Capital Assets October 1, 2001	Additions	Deletions	Governmental Funds Capital Assets September 30, 2002
General government:				
Mayor and commission	\$ 24,837	\$ 50,145	\$	\$ 74,982
City manager	32,852			32,852
City clerk	248,662	123,297		371,959
Internal audit	12,385		585	11,800
Management and budget	14,297	1,105		15,402
Finance	143,248	16,635	1,535	158,348
Human resources	10,165			10,165
Procurement	5,419	926	1,121	5,224
City attorney	39,017			39,017
Planning	13,699			13,699
Special programs	23,831	608	22,888	1,551
Engineering	59,289	16,232		75,521
Construction and financial management	890	47,213		48,103
Unclassified	60,645,651	313,366		60,959,017
Total general government	61,274,242	569,527	26,129	61,817,640
Public safety:				
Beach patrol	79,390	62,970	800	141,560
Building services	60,490	669	1,204	59,955
Fire	8,271,615	282,691		8,554,306
Police	43,837,834	53,867		43,891,701
Emergency 911	1,225,476			1,225,476
Total public safety	53,474,805	400,197	2,004	53,872,998
Physical environment	2,754,441	7,971		2,762,412
Transportation				
Streets	90,978,382	1,334,665		92,313,047
Bridges	19,845,553			19,845,553
Sidewalks and Walkways	50,398,031			50,398,031
Unclassified	3,224,336	7,309		3,231,645
Total transportation	164,446,302	1,341,974		165,788,276
Economic environment				
Redevelopment Agency	92,010,447	5,356,255	11,178	97,355,524
Unclassified	135,359	2,396	4,732	133,023
Total economic environment	92,145,806	5,358,651	15,910	97,488,547
Human services	853,778	9,805		863,583
Culture and recreation	91,836,627	11,360,192	460,409	102,736,410
Total governmental funds capital assets	\$ 466,786,001	\$ 19,048,317	\$ 504,452	\$ 485,329,866



City of Miami Beach

This page intentionally left blank

CITY OF MIAMI BEACH, FLORIDA

GOVERNMENT-WIDE EXPENSES BY FUNCTION

FISCAL YEAR 2002

Fiscal Year	General Governmental Services	Public Safety	Physical Environment	Transportation	Economic Environment	Human Services	Culture and Recreational	Interest on Long-term Debt	Storm Water	Water	Sewer	Parking	Convention Center	Other	Total
2001-02	\$ 25,829,313	\$ 84,602,292	\$ 2,895,202	\$ 8,933,603	\$ 8,501,119	\$ 1,495,853	\$ 31,672,707	\$ 16,334,853	\$ 4,020,379	\$ 14,939,612	\$ 25,460,076	\$ 15,172,305	\$ 13,469,379	\$ 7,270,318	\$ 260,597,011

CITY OF MIAMI BEACH, FLORIDA
GOVERNMENT-WIDE REVENUES

FISCAL YEAR 2002

Fiscal Year	Program Revenues				General Revenues							Total		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Taxes	Franchise Fees	Licenses and Permits	Intergovernmental	Rents and Leases	Fines and Forfeitures	Unrestricted Investment Earnings		Loss on Disposal of Capital Assets	Miscellaneous Revenues
2001-02	\$ 91,913,235	\$ 47,536,989	\$ 3,929,445		\$ 88,291,007	\$ 7,037,263	\$ 8,095,001	\$ 9,108,632	\$ 2,585,253	\$ 1,716,378	\$ 10,882,398	\$ (220,764)	\$ 8,925,770	\$ 279,800,607

CITY OF MIAMI BEACH, FLORIDA

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

FISCAL YEARS 1993 THRU 2002

Fiscal Year	General Governmental Services	Public Safety	Physical Environment	Transportation	Economic Environment	Human Services	Culture and Recreational	Capital Projects	Debt Service	Total
1992-93	\$ 24,624,616	\$ 50,412,973	\$ 464,315	\$ 1,801,365	\$ 5,106,163	\$ 1,021,702	\$ 15,141,349	\$ 3,632,204	\$ 18,532,247	\$ 120,736,934
1993-94	22,575,303	53,345,455	572,257	2,396,628	9,692,768	1,027,189	13,480,977	30,836,399	19,363,852	153,290,828
1994-95	20,835,371	54,813,459	658,030	3,347,444	29,534,395	1,121,751	14,826,642	14,252,327	28,840,606	168,230,025
1995-96	20,941,128	62,933,681	686,057	2,554,165	18,349,154	1,201,662	15,996,399	32,570,017	80,191,231	235,423,494
1996-97	22,384,898	68,234,685	1,224,000	4,337,123	14,397,098	1,429,734	24,057,499	32,838,592	24,383,669	193,287,298
1997-98	18,283,710	63,840,665	1,137,695	4,254,646	28,664,258	1,319,429	25,819,305	23,730,228	25,938,074	192,988,010
1998-99	18,428,875	66,734,465	1,378,702	4,210,852	16,283,449	1,394,266	28,213,051	8,831,803	28,639,486	174,114,949
1999-00	21,954,415	69,148,299	1,804,023	5,730,066	19,922,509	1,770,908	21,864,799	8,450,864	28,667,593	179,313,476
2000-01	24,220,165	76,078,962	2,102,658	5,881,028	23,147,260	1,471,188	23,700,822	7,949,884	61,402,547	225,954,514
2001-02	23,347,222	80,517,633	2,445,618	5,894,156	23,481,387	1,444,552	24,816,696	25,237,295	28,568,550	215,743,109

Includes general, special revenue, debt service and capital project funds.

CITY OF MIAMI BEACH, FLORIDA

GENERAL GOVERNMENTAL REVENUES BY SOURCE

FISCAL YEARS 1993 THRU 2002

Fiscal Year	General Property Taxes	Franchise Fees	Utility Service Taxes	Other Taxes	Licenses and Permits	Inter-governmental Revenue	Sales and Charges for Services	Fines and Forfeitures	Interest Income	Miscellaneous Revenues	Total
1992-93	\$ 46,102,609	\$ 5,834,933	\$ 9,634,007	\$ 21,252,571	\$ 6,026,751	\$ 18,547,912	\$ 3,974,198	\$ 2,153,095	\$ 2,348,719	\$ 10,086,789	\$ 125,961,584
1993-94	45,933,970	6,003,945	8,960,948	18,707,868	6,244,792	22,128,965	2,741,518	2,531,110	3,112,896	14,982,310	131,348,322
1994-95	46,885,783	6,056,853	9,293,275	21,367,372	6,038,464	24,681,126	2,767,351	3,160,349	6,287,302	17,490,057	144,027,932
1995-96	51,834,737	6,544,616	9,691,671	19,555,057	6,282,396	69,273,008	5,318,398	1,011,077	6,015,122	32,497,558	208,023,640
1996-97	55,496,245	6,167,992	10,278,584	14,149,832	7,623,771	23,769,707	5,659,359	1,391,765	8,278,223	25,828,277	158,643,755
1997-98	57,193,099	6,627,409	10,611,102	15,311,962	8,119,683	24,490,609	5,999,608	1,203,373	7,696,734	16,706,561	153,960,140
1998-99	60,611,944	6,721,850	11,163,676	19,217,373	8,579,138	28,142,226	6,442,465	1,373,528	8,082,323	15,854,964	166,189,487
1999-00	64,235,654	6,440,426	11,234,997	22,144,229	8,425,325	34,625,741	7,254,522	1,556,047	8,987,845	16,250,176	181,154,962
2000-01	68,603,879	8,013,954	11,703,187	23,684,024	9,707,800	36,747,497	10,214,631	1,745,578	10,228,765	15,918,348	196,567,663
2001-02	75,205,177	7,037,263	13,348,286	21,021,618	9,627,491	41,839,284	3,852,911	3,172,906	4,898,871	18,471,663	198,475,470

Includes general, special revenue, debt service and capital project funds.

CITY OF MIAMI BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS

FISCAL YEARS 1992 THRU 2001

Tax Year (1)	Assessed Valuations (3)		Total Tax Levy	Total Collected in Year (2)	Percent Collected
	Including Homesteads	Excluding Homesteads			
1992	\$ 4,726,911,403	\$ 3,932,985,608	\$ 45,610,535	\$ 46,102,609	101.1
1993	5,354,688,618	4,444,391,552	45,477,364	45,933,970	101.0
1994	6,369,445,913	5,286,640,108	47,359,133	46,885,783	99.0
1995	6,713,103,433	5,639,006,884	51,698,797	51,834,737	100.3
1996	7,161,079,764	6,015,307,002	54,155,090	55,496,245	102.4
1997	7,635,026,033	6,413,421,868	57,447,414	57,193,099	99.6
1998	8,168,481,094	6,861,524,119	60,374,366	60,611,944	100.4
1999	8,983,694,474	7,546,303,358	64,293,224	64,235,654	99.9
2000	9,784,381,355	8,218,880,338	69,078,101	68,603,879	99.3
2001	10,980,255,120	9,223,414,301	75,968,310	75,205,177	99.0

(1) Assessments as of January 1 of the year listed; bills mailed in October of that year; taxes become delinquent at the end of April of the subsequent year.

(2) Actual collections of current and delinquent Real and Personal Property Taxes.

(3) Assessments are at 100% of fair market value.

CITY OF MIAMI BEACH, FLORIDA

STATEMENT OF TAX LEVIES AND TAX RATES

FISCAL YEARS 1993 THRU 2002

<u>Fiscal Year</u>	<u>General Fund</u>		<u>Debt Service Fund</u>		<u>Total</u>	
	<u>Tax Levy</u>	<u>Millage</u>	<u>Tax Levy</u>	<u>Millage</u>	<u>Tax Levy</u>	<u>Millage</u>
1993	\$ 35,812,374	9.302	\$ 9,798,161	2.545	\$ 45,610,535	11.847
1994	35,514,506	8.238	9,962,858	2.311	45,477,364	10.549
1995	36,629,597	7.143	10,729,536	2.039	47,359,133	9.182
1996	41,330,511	7.499	10,368,286	1.862	51,698,797	9.361
1997	44,018,979	7.499	11,028,582	1.879	55,047,561	9.378
1998	46,775,045	7.499	10,672,369	1.711	57,447,414	9.210
1999	50,400,464	7.499	9,973,902	1.484	60,374,366	8.983
2000	55,430,546	7.499	8,862,678	1.484	64,293,224	8.983
2001	59,743,877	7.399	9,334,224	1.156	69,078,101	8.555
2002	66,200,178	7.299	9,768,132	1.077	75,968,310	8.376

**CITY OF MIAMI BEACH, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS**

(PER \$1,000 OF ASSESSED VALUE)

Last Ten Fiscal Years

<u>Fiscal Year Ended September 30,</u>	<u>City of Miami Beach</u>			<u>School District Millage</u>	<u>County Millage</u>	<u>State Millage</u>	<u>Total</u>
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>				
1993	9.302	2.545	11.847	9.923	9.236	0.648	31.654
1994	8.238	2.311	10.549	10.266	9.202	0.652	30.669
1995	7.143	2.039	9.182	10.345	8.413	0.702	28.642
1996	7.499	1.862	9.361	10.390	7.946	0.687	28.384
1997	7.499	1.879	9.378	10.366	7.582	0.710	28.036
1998	7.499	1.711	9.210	10.462	7.268	0.747	27.687
1999	7.499	1.484	8.983	10.160	7.194	0.744	27.081
2000	7.499	1.199	8.698	9.644	6.946	0.741	26.029
2001	7.399	1.156	8.555	9.617	6.754	0.738	25.664
2002	7.299	1.077	8.376	9.376	6.716	0.736	25.204

CITY OF MIAMI BEACH, FLORIDA
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUATION AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Net Assessed Valuation (000)</u>	<u>Net Bonded Debt (000)</u>	<u>Percentage</u>	<u>Population (Est.)</u>	<u>Net Bonded Debt Per Capita</u>
1993	\$ 3,932,985	\$ 63,472	1.61	94,725	\$ 670
1994	4,444,391	56,567	1.27	95,160	594
1995	5,286,640	49,041	0.93	93,681	523
1996	5,639,006	41,166	0.73	91,775	448
1997	6,015,307	32,851	0.55	91,848	358
1998	6,413,422	40,586	0.63	92,927	440
1999	6,861,524	34,140	0.50	93,464	365
2000	7,546,303	56,835	0.75	94,012	605
2001	8,218,880	49,780	0.61	87,933	566
2002	9,223,414	42,606	0.46	88,158	483

CITY OF MIAMI BEACH, FLORIDA
COMPUTATION OF LEGAL DEBT MARGIN

September 30, 2002

Debt limit per City Charter for general obligation bonds is 15% of the assessed valuation (\$9,223,414,301)	\$ 1,383,512,145
General obligation bonds outstanding as of September 30, 2002	<u>43,810,000</u>
Legal debt margin	<u>\$ 1,339,702,145</u>

CITY OF MIAMI BEACH, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

SEPTEMBER 30, 2002

DIRECT DEBT

General obligation indebtedness

Public improvement bonds (net of amount available) \$ 42,605,626

Non-self-supporting indebtedness: (1)

Resort Tax Revenue Refunding Bonds, Series 1996	3,590,000
Gulf Breeze Government Loan Program	39,001,954
Sunshine State Loan Program	6,265,000
Pension Obligation Bonds	46,765,000
Tax Increment Revenue Bonds	100,830,000
	<u>196,451,954</u>
Less: Reserve funds	11,630,415

Total non-self-supporting indebtedness 184,821,539

Total direct indebtedness 227,427,165

OVERLAPPING DEBT (2)

Miami-Dade County

Total general obligation indebtedness	270,986,000	
Percent applicable to City - 8.56% (3)		23,196,402
Total school district obligation indebtedness	845,445,000	
Percent applicable to City - 8.56% (3)		72,370,092
Total net non-self-supporting indebtedness	257,022,000	
Percent applicable to City - 8.56% (3)		<u>22,001,083</u>

Total overlapping debt 117,567,577

TOTAL DIRECT AND OVERLAPPING DEBT \$ 344,994,742

(1) Excludes self-supporting debt obligations.

(2) All debt listed as Overlapping Debt is secured either solely from a tax source or from a combination of self-supporting revenues and a tax source.

(3) Based upon 2001 assessed valuation figures for the City and Dade County.

CITY OF MIAMI BEACH, FLORIDA

RATIO OF GENERAL OBLIGATION DEBT SERVICE

TO GENERAL FUND EXPENDITURES

FISCAL YEARS 1993 THRU 2002

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>General Fund Expenditures</u>	<u>Ratio</u>
1993	\$ 7,825,000	\$ 2,907,212	\$ 10,732,212	\$ 75,206,612	14.3 %
1994	6,995,000	3,394,197	10,389,197	79,387,545	13.1
1995	7,685,000	3,037,857	10,722,857	84,796,247	12.7
1996	7,720,000	2,627,032	10,347,032	92,550,848	11.2
1997	7,830,000	2,215,653	10,045,653	99,511,671	10.1
1998	7,870,000	2,376,070	10,246,070	94,960,467	10.8
1999	7,910,000	3,092,962	11,002,962	99,953,313	11.0
2000	7,190,000	1,661,504	8,851,504	110,241,654	8.0
2001	6,550,000	2,767,414	9,317,414	123,123,288	7.6
2002	7,175,000	2,573,150	9,748,150	133,879,664	7.3

CITY OF MIAMI BEACH, FLORIDA

REVENUE BOND COVERAGE

FISCAL YEARS 1993 THRU 2002

Parking Revenue Bonds (1)

	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Revenue	\$ 22,848,169	\$ 22,208,213	\$ 17,945,290	\$ 15,953,438	\$ 14,571,340	\$ 12,837,146	\$ 10,929,504	\$ 7,146,856	\$ 4,973,028	\$ 4,676,924
Expenses (2)	9,954,419	7,821,393	7,888,439	7,274,366	7,262,681	6,783,627	5,797,474	4,526,570	3,133,586	2,642,263
Net Revenues Available for Debt Service	12,893,750	14,386,820	10,056,851	8,679,072	7,308,659	6,053,519	5,132,030	2,620,286	1,839,442	2,034,661
Debt Service Cost										
Principal	800,000	765,000	735,000	710,000	640,000	615,000	510,000	400,000	370,000	350,000
Interest	1,380,961	1,412,526	1,442,026	1,469,106	1,581,361	450,795	596,332	746,500	775,330	793,670
Total	\$ 2,180,961	\$ 2,177,526	\$ 2,177,026	\$ 2,179,106	\$ 2,221,361	\$ 1,065,795	\$ 1,106,332	\$ 1,146,500	\$ 1,145,330	\$ 1,143,670
Coverage	5.91	6.61	4.62	3.98	3.29	5.68	4.63	2.29	1.61	1.78

(1) Additional Parking Revenue Bonds issued on August 28, 1997 in the amount of \$21,000,000.

(2) Expenses as defined in the indenture as reasonable expenses of operation and maintenance of the system before depreciation, administrative fees and transfers.

(3) Minimum revenue coverage is 1.35 per bond covenants.

Water & Sewer Revenue Bonds

	2002	2001	2000	1999	1998	1997	1996	1995
Revenue	\$ 47,321,117	\$ 48,275,631	\$ 44,439,127	\$ 45,079,591	\$ 40,534,718	\$ 33,729,358	\$ 34,444,847	\$ 30,163,231
Expenses (1)	33,694,318	31,915,870	32,553,919	31,778,525	30,175,856	28,415,087	26,226,618	24,055,416
Net Revenues Available for Debt Service	13,626,799	16,359,761	11,885,208	13,301,066	10,358,862	5,314,271	8,218,229	6,107,815
Debt Service Cost								
Principal	2,370,000	2,265,000	2,165,000	2,070,000	1,985,000	1,900,000	1,825,000	-
Interest	5,416,700	5,652,704	2,667,906	2,761,056	2,849,389	2,932,039	3,009,143	885,892
Total	\$ 7,786,700	\$ 7,917,704	\$ 4,832,906	\$ 4,831,056	\$ 4,834,389	\$ 4,832,039	\$ 4,834,143	\$ 885,892
Coverage	1.75	2.07	2.46	2.75	2.14	1.10	1.70	6.89

(1) Expenses as defined in the indenture as reasonable expenses of operation and maintenance of the system before depreciation, administrative fees and transfers.

(2) Minimum revenue coverage is 1.10 per bond covenants.

(3) Prior years' information not available as bonds were issued during fiscal 1995.

CITY OF MIAMI BEACH, FLORIDA

DEMOGRAPHIC STATISTICS

LAST TEN YEARS

<u>Year</u>	<u>Population</u>	<u>Auto Tags</u> <u>Miami-Dade County</u>	<u>Bank Deposits</u> <u>Miami-Dade County</u> <u>(Thousands)</u>	<u>Public School</u> <u>Enrollment</u> <u>Miami-Dade County</u>	<u>Unemployment</u> <u>Rate</u> <u>Miami-Dade County</u>
1992	93,461	2,272,812	22,072	302,163	10.0 %
1993	95,160	2,284,759	22,585	297,873	7.7
1994	93,681	2,274,404	23,163	307,066	8.0
1995	91,775	2,204,356	25,154	314,853	7.3
1996	91,848	2,426,683	27,641	341,120	7.3
1997	92,927	2,421,725	34,081	332,216	7.1
1998	93,464	2,401,647	36,230	337,103	6.5
1999	94,012	2,392,339	39,633	343,653	5.8
2000	87,933	2,420,074	40,543	350,920	5.3
2001	88,158	2,533,220	45,064	359,313	6.9

Source: Florida Statistical Abstract, 2002.

CITY OF MIAMI BEACH , FLORIDA
VALUE OF BUILDING PERMITS ISSUED
LAST TEN YEARS

FISCAL YEARS 1993 THRU 2002

<u>Year</u>	<u>New Constuction</u>	<u>Existing Structures Additions, Rehabilitation, Etc.</u>	<u>Total Value</u>
1993	\$ 150,549,661	\$ 81,156,235	\$ 231,705,896
1994	91,566,442	68,358,627	159,925,069
1995	147,712,100	56,564,305	204,276,405
1996	137,664,000	60,538,264	198,202,264
1997	96,643,651	82,576,295	179,219,946
1998	74,513,600	177,283,873	251,797,473
1999	211,236,200	107,085,431	318,321,631
2000	49,650,000	64,200,062	113,850,062
2001	247,811,274	133,427,438	381,238,712
2002	119,622,534	65,408,841	185,031,375

Source: City of Miami Beach - Building Department, 2002.

CITY OF MIAMI BEACH, FLORIDA

TEN LARGEST TAXPAYERS

2002

<u>Owner</u>	<u>Type of Property</u>	<u>Assessed Value</u>	<u>Percentage of Total</u>
Hotelerama Assoc. Ltd.	Hotel	\$ 101,259,711	20.12 %
Miami Beach Redevelopment Inc	Hotel	93,962,389	18.67
Morton Towers Apts. LP	Apartments	51,977,720	10.33
Nine Island Avenue Condo	Apartments	46,408,920	9.22
Gumenick Family Inv. No. 1 Ltd.	Apartments	37,942,593	7.54
Roney Plaza Associates, Ltd.	Apartments	36,400,000	7.23
Tower Forty One Condo	Apartments	36,221,820	7.20
IHC/Miami Beach Corp.	Hotel	34,600,391	6.87
Maison Grande Condo	Apartments	32,488,730	6.45
RDP Royal Palm Hotel LP	Hotel	<u>32,042,192</u>	<u>6.37</u>
		<u>\$ 503,304,466</u>	<u>100.00 %</u>

Source: Miami-Dade County, Florida; Department of Property Appraisal;
City of Miami Beach Valuation Roll, 2002.

CITY OF MIAMI BEACH, FLORIDA
TEN LARGEST PUBLIC AND PRIVATE EMPLOYERS
LOCATED IN MIAMI-DADE COUNTY

<u>Ten Largest Public Employers</u>		<u>Ten Largest Private Employers</u>	
Miami-Dade County Public Schools	37,500	American Airlines	9,000
Miami-Dade County	30,000	University of Miami	8,000
Federal Government	18,276	Baptist Health Systems of South Florida	7,500
State of Florida	18,100	Precision Response Corporation	4,346
Jackson Memorial Hospital	10,000	BellSouth	4,240
City of Miami	3,400	MasTec	4,000
Florida International University	2,591	Royal Caribbean International/Celebrity Cruise	4,000
Miami-Dade Community College	2,400	Publix Super Markets	4,000
Miami VA Medical Center	2,000	Florida Power & Light Co.	3,823
City of Miami Beach	1,702	Mount Sinai Medical Center	3,300

Source: The Beacon Council

**CITY OF MIAMI BEACH, FLORIDA
MISCELLANEOUS STATISTICS**

**PER CAPITA PERSONAL INCOME
(CURRENT DOLLARS)**

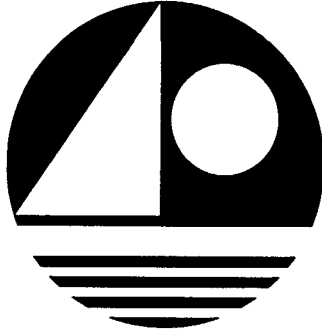
Year	Miami-Dade County		Florida		United States
	Current Dollars	Percent of U.S.	Current Dollars	Percent of U.S.	Current Dollars
1991	\$18,252	95.6 %	18,985	99.4 %	\$19,091
1992	17,340	86.2	19,797	98.5	20,105
1993	19,779	95.1	20,828	100.1	20,800
1994	20,362	93.8	21,767	100.3	21,696
1995	21,058	90.8	23,031	99.3	23,196
1996	22,370	91.5	24,198	99.0	24,436
1997	21,688	85.8	24,799	98.1	25,288
1998	23,919	87.9	26,845	98.6	27,203
1999	24,733	86.6	27,781	97.3	27,781
2000	25,320	85.9	27,764	94.2	29,469

POPULATION ESTIMATES

	Miami Beach		State of Florida		United States	
	Population	Change %	Population	Change %	Population	Change %
1992 (1)	93,461	0.5	13,424,416	1.7	256,300,000	1.9
1993	95,160	1.8	13,608,627	1.4	257,908,000	0.6
1994	93,681	(1.5)	13,878,905	1.9	260,341,000	0.9
1995	91,775	(2.1)	14,149,317	1.9	262,755,000	0.9
1996	91,848	0.1	14,411,563	1.8	265,284,000	0.9
1997	92,927	1.2	14,712,922	2.1	267,636,000	0.9
1998	93,464	0.6	15,000,475	1.9	270,299,000	0.9
1999	94,012	0.6	15,322,040	2.1	272,691,000	0.9
2000	87,933	(6.5)	15,982,378	4.3	281,422,000	3.2
2001	88,158	0.3	16,331,739	2.2	284,797,000	1.2

(1) U. S. Census

Source: Florida Statistical Abstract, 2002.



City of Miami Beach

This page intentionally left blank